Daily Report

East Europe

FBIS-EEU-92-032
Tuesday
18 February 1992

Daily Report
East Europe

FBIS-EEU-92-032 *18 February 1992*

CONTENTS

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

FRONT PAGE

INTER-EUROPEAN AFFAIRS

CSFR, Bulgaria Agree to IAEA Safety Standards *[AFP]* 2
Poland, CSFR, Hungary, Ukraine Sign Economic Pact *[MTI]* 2

ALBANIA

Bocka Interviewed on Kosovo, Other Issues *[ATA]* 3
Kosovo's Bukoshi Supports Opposition in Elections *[Tirana Radio]* 3
Socialist Party Holds Election Rally in Tirana *[ATA]* 3
Republican Party's Godo Gives News Conference *[ATA]* 3
Berisha Says DP To Form Coalition With Others *[ATA]* 4

BULGARIA

Government To Cease Uranimum Extraction *[BTA]* 5
2d Round of Local Elections Planned for 23 Feb *[Sofia Radio]* 5
Prime Minister Outlines Government's Priorities *[BTA]* 5
Council of Ministers Approves New Taxation Bill *[BTA]* 5
Trenchev Comments on Podkrepa Congress Results *[DEMOKRATSIYA 13 Feb]* 6
BSP Report Details Country's Economic State *[DUMA 13 Feb]* 6
Poll Shows Majority Support Macedonia Recognition *[BTA]* 7

CZECHOSLOVAKIA

Prague Demonstration Protests Treaty With Germany *[CSTK]* 8
Slovak Deputy Criticizes U.S. Human Rights Report *[CSTK]* 8
Dobrovsky Rejects Slovak Claims on Army Deployment *[Prague TV]* 8
Federal Assembly Considers 'Slovak Liberation Army' 9
Prosecutor Presents Letter *[Prague Radio]* 9
Langos: SLA 'Dangerous Game' *[CSTK]* 9
Slovak Soldiers Group Assails 'Trick of Prague' *[CSTK]* 9
Leaders Comment on Draft Constitutional Treaty 10
Carnogursky Notes Ramifications *[Bratislava Radio]* 10
Democratic Slovakia Head Critical *[Bratislava Radio]* 11
Czech Deputies 'Welcome' Next Meeting *[Prague Radio]* 12
Roundup of Czech Press Articles *[CSTK]* 12
Calfa Pessimistic on State Preservation *[NARODNA OBRODA 14 Feb]* 13
Dubcek Notes Positive Steps *[Bratislava Radio]* 14
Progress, Concerns of Coupon Privatization Reported 14
Czech Industry Ministry Report *[CSTK]* 14
Czechs Reject Territorial Division *[LIDOVE NOVINY 14 Feb]* 14
Post-Privatization Division an Issue *[RUDE PRAVO 13 Feb]* 14
Preliminary Investments Begin *[CSTK]* 15
Carnogursky Discusses Insider Investment Deals *[Bratislava Radio]* 15
Slovak Economics Minister Views Arms Conversion *[CSTK]* 16
Klaus Notes Concern on Increased Wage Inflation *[Bratislava Radio]* 16

HUNGARY

Government Protests CSFR Gabcikovo Decision *[Budapest Radio]* 17
Jeszensky Meets Serb Opposition Leader Draskovic *[MTI]* 17
Draskovic Briefs Press *[TANJUG]* 17
Airspace Violation by Yugoslav Aircraft Reported *[Budapest Radio]* 18
Telecommunication Network With Croatia To Expand *[MTI]* 18
Transport Agreement With Slovenia Signed 14 Feb *[MTI]* 18
Goncz, Foreign Affairs Committee Hold Discussion *[Budapest Radio]* 18
Antall Comments on Opposition, Role, Plans *[Budapest Radio]* 19
Budapest Mayor Views Politics, Favors Coalition *[MAGYAR HIRLAP 10 Feb]* 21

POLAND

Walesa Supports Special Powers for Ministers *[PAP]* 22
Walesa Attends Presidium Meeting for First Time *[Warsaw TV]* 22
Olszewski, Center Alliance Leader on Reconstruction *[Warsaw Radio]* 23
Gugulski Says No Talks Held *[Warsaw TV]* 23
Legislative Group Wants To Recall Gugulski *[Warsaw Radio]* 23
Parys Sees No Place for Democratic Union Members *[Warsaw TV]* 23
Olszewski News Conference Describes Jobs Fulfilled *[Warsaw Radio]* 23
Finance Minister Lutkowski Submits Resignation *[Warsaw Radio]* 27
Kaczynski Seeks Cooperation With Democratic Union *[ZYCIE WARSZAWY 11 Feb]* 27
Sejm Elects Kaczynski as Chairman of NIK *[Warsaw Radio]* 28
Council of Ministers Accepts Social, Economic Plan *[Warsaw TV]* 28
Government Draft Economic Program Outlined *[ZYCIE WARSZAWY 11 Feb]* 28
Solidarity Rejects Strike Over Energy Prices *[ZYCIE WARSZAWY 12 Feb]* 29
Solidarity Negotiators Attack Government Policy *[PAP]* 30
Center Alliance Hopes for Talks With Democratic Union *[PAP]* 30
Center Alliance Leaders Want Government Reshuffle *[PAP]* 30
Centre Alliance, PSL Solidarity Sign Agreement *[PAP]* 30
Railmen Threaten Strike as Talks Fail *[PAP]* 30
Ukrainian Officials Meet Press on Relations, Arms *[PAP]* 31
Ukraine Relationship Not To Change Russian Ties *[Warsaw Radio]* 31
Ukraine Seen as 'Most Dangerous Neighbor' *[PAP]* 31
Spokesman Says No Plans To Take Over Kaliningrad *[Warsaw TV]* 31
Government Not To Pay for Ex-USSR Deliveries *[PAP]* 31
Good Prospects Seen for Baltic Oil, Gas Firm *[TRYBUNA SLASKA 24 Jan]* 32

ROMANIA

Roman Endorses Social Democratic Model *[Oslo AFTENPOSTEN 13 Feb]* 34
Roman on FSN Decline in Election Returns *[ROMPRES]* 35
Believes Runoff To Win More Votes *[ROMPRES]* 35
Election 'Irregularities' Uncovered in Tirgu Mures *[ROMPRES]* 35
Mayor's Candidacy Invalidated *[Budapest Radio]* 35
Mayor-Elect Pokorny Resigns *[Bucharest Radio]* 36
Results From Vilcea, Timis Counties Announced *[Bucharest Radio]* 36
Inquiry Commission Sets New Date for Sapinta *[ROMPRES]* 36
Arad County Election Results Announced *[Bucharest Radio]* 37
Bihor County Election Results Released *[Bucharest Radio]* 37
Braila, Salaj To Hold Second Ballot 16 Feb *[ROMPRES]* 37
Second Poll in 3 Counties; More Results Announced *[Bucharest Radio]* 37
3 Counties Report Low Turnout in Partial Ballot *[Bucharest Radio]* 38
UDMR Meeting Ends; Election Results Viewed *[Bucharest Radio]* 38
Bucharest, Two Counties Disclose Local Results *[Bucharest Radio]* 38
Arges, Brasov Release Results; Runoffs Needed *[Bucharest Radio]* 39
Salaj Announces Results; Turnout 60 Percent *[ROMPRES]* 40
Bucharest Mayoral Candidates Assess Returns *[ROMPRES]* 40
Democratic Convention Holds News Conference *[ROMPRES]* 40
Tokes Fined for Refusing To Supply Information *[ROMPRES]* 40

YUGOSLAVIA

International

Ghali Proposes Urgent UN Deployment *[TANJUG]* 41
U.S. Envoy Meets With FEC's Mitrovic *[Zagreb Radio]* 41

Interrepublic

Serbian, Montenegrin Parties on Common State *[TANJUG]* 41
Military Convoys Leave Macedonia for Serbia *[TANJUG]* 41
Paspalj Writes to Milosevic, Condemns Opposition *[Belgrade TV]* 42
Micunovic on Meeting With Babic, Karadzic *[BORBA 29 Jan]* 42

Federal

General Says Army Will Respond to Attacks *[Belgrade Radio]* 44
Presidency on Croatian, Macedonian Secession *[TANJUG]* 44
Kostic Comments on SFRY Future *[TANJUG]* 45
Ethnic Structure According to 1991 Census *[BORBA 27 Jan]* 45

Bosnia-Hercegovina

Izetbegovic Departs for U.S. Visit *[TANJUG]* 47
Military Accidents Kept Quiet in Mostar *[Zagreb TV]* 47
Two Army Helicopters Crash Near Mostar *[Zagreb TV]* 47
Military Denies Helicopters Crashed *[TANJUG]* 47
Party Leaders Speak on Bosnia's Future *[Sarajevo Radio]* 48

Croatia

Babic Announces Referendum on Vance Plan *[TANJUG]* 49
Krajina 'Assembly' Relieves President Babic *[TANJUG]* 49
Babic Rejects Decision *[TANJUG]* 50
Denies Session's Legality, Writes to Ghali *[TANJUG]* 50
Seeks Negotiator Status at Peace Conference *[TANJUG]* 50
Expounds on Stances *[TANJUG]* 50
Babic, Paspalj Reportedly Meet in Vojnic *[Belgrade Radio]* 52
Babic Comments on Milosevic Presidency *[TANJUG]* 52
'Lack of Food,' Arrests Reported in Knin *[Zagreb TV]* 52
Krajina Party on 'Tragedy' of Assembly Split *[TANJUG]* 53
Tudjman Hopes for Army Withdrawal by Summer *[TANJUG]* 53
Tudjman Denies Statement on UN Troops *[TANJUG]* 53
Tudjman Outlines Economic Strategy *[Zagreb Radio]* 53
Croatian Assembly Supports Peacekeeping Forces *[TANJUG]* 54
Assembly Adopts Bill on Abolishing Departments *[Zagreb Radio]* 54
Government Lists Cities for Refugees' Return *[Zagreb Radio]* 55
Police Instructed To Control 'State Border' *[TANJUG]* 55
Official Offers Police Perspective on Crisis *[VJESNIK 2 Feb]* 55
Campaign Promises, Fair Elections Discussed *[DANAS 4 Feb]* 58
Draft Proposal on Territorial Divisions *[VECERNJI LIST 2 Feb]* 60

Macedonia

Foreign Minister Maleski on EC Recognition *[TANJUG]* 60
Army Begins Withdrawal; Police To Monitor *[TANJUG]* 61
Assembly Adopts Defense Law *[TANJUG]* 61
Assembly Discusses Diplomatic Activities *[Belgrade Radio]* 61
Extremists Block Barracks, Demand Protection *[TANJUG]* 62

Serbia

German Envoy Comments on German-Serb Relations *[BORBA 4 Feb]* 62
Opposition Party Defends Krajina's Babic *[Belgrade Radio]* 64
Prime Minister Bozovic on Relations With Krajina *[Belgrade TV]* 65
Bozovic on Economic Measures, Popular Support *[TANJUG]* 66
Military Offers Conflicting Accident Reports *[BORBA 29 Jan]* 66
Splits in Albanian Opposition Parties *[BORBA 3 Feb]* 67

Slovenia

Cooperation Soon To Be Restored With Israel *[TANJUG]* 68
Ministry Denies Ordering Border Bunkers *[DELO 31 Jan]* 68
Changes in Law on Sales Tax *[DELO 27 Jan]* 69

Yugoslavia

Croatia—TANJUG reports that the "Republic of Serbian Krajina" "adopted a decision to relieve" President Milan Babic "of his duty, called on the government to resign, and proclaimed as null and void all actions taken" on the referendum of the UN peacekeeping plan. Babic rejected the assembly's decision claiming that only 47 deputies attended the session in Glina and without a two-thirds majority the decision cannot be valid. In a letter to UN Secretary General Butrus Ghali, Babic states that "a group of delegates was coerced" into voting against him and warns the secretary general that "he is likely to receive a letter from Borisav Jovic on the latest decisions of the Krajina Assembly" and that "this letter will not be based on facts."

Macedonia—Minister for Foreign Relations Denko Maleski called on all foreign ministers of the EC countries to recognize Macedonia's independence, according to TANJUG. In a letter Maleski states: "We express our readiness to cooperate with the Greek Republic, an EC member and a country which ought to be developing new European principles on the Balkans. We are ready to talk about the content of our relations and remove all barriers on the way to full cooperation."

Inter-European Affairs

Czechoslovakia, Bulgaria, and the Commonwealth of Independent States have agreed with the International Atomic Energy Agency (IAEA) to tighten nuclear safety at four "high-risk" nuclear power stations, AFP reports. The IAEA formulated the measures based on their report of 10 Soviet-built VVER-440/230 reactors which are considered "potentially dangerous" because of "major faults" such as "a lack of concrete protection sufficient to contain radioactivity" if leaks should occur and "the lack of a fall-back system in the event of an accident." Kozloduy, Bohunice, and two Russian plants—at Kola and Novovoronezh—contain these Soviet-built nuclear reactors.

Romania

ROMPRES reports that on 13 February the Electoral Commission was informed by the Tirgu Mures County Police that "violations" were observed in the local mayoral election. Despite his election victory, Vasile Pokorny, a candidate supported by the Democratic Association of Hungarian in Romania, resigned on 15 February," according to Bucharest radio. Apparently, "the signatures of juveniles did indeed unlawfully figure on the nominating list of Pokorny supporters." Since Pokorny signed the document of signatures, he thereby committed a "document falsification." The Tirgu Mures Municipality will organize new elections. The date will be set by the government.

Czechoslovakia

CSTK reports that approximately 4,000 people attended a rally in Prague to protest against the "text" of the Czechoslovak-German treaty initialed on 7 October. German Chancellor Helmut Kohl is expected to sign the treaty at the end of February in Prague. In a resolution, the demonstrators ask the Federal Assembly to discuss the treaty before it is signed "since the broad public had no opportunity to express itself on the treaty's present text."

CSFR, Bulgaria Agree to IAEA Safety Standards

AU1502152692 Paris AFP in English 1442 GMT 15 Feb 92

[Text] Vienna, Feb 15 (AFP)—The International Atomic Energy Agency (IAEA) announced Saturday [15 February] that it has reached agreement with the Commonwealth of Independent States (CIS) and two eastern European countries on tightening safety at four high-risk nuclear power stations.

Safety measures agreed at a two-day meeting here between experts from the IAEA, the CIS, Czechoslovakia, Bulgaria and the European Community would be taken soon at plants at Kozloduy, in Bulgaria, Bohunice, in Czechoslovakia, and at Kola and Novovoronezh in Russia, the IAEA said in a statement. The measures were prepared on the basis of an IAEA report on 10 Soviet-built VVER-440/230 reactors seen as potentially dangerous, of which four were at Kozloduy, two at Bohunice and the four others at the Russian plants.

Local officials were involved in preparing the safety measures, the IAEA said, adding that priority would be given to "improvement of the reliability of the material and its functioning." The plants had shown "major faults," notably "a lack of concrete protection sufficient to contain radioactivity in the case of leaks and the lack of a fall-back system in the event of an accident," the IAEA said. There was also a "danger of fissures at the reactor core and inadequate protection against fire," the IAEA said.

Czechoslovak authorities were said to have prepared measures "to enable the reactors at Bohunice to continue operating until 1995," after which time "the functioning of the reactors will require work which will be undertaken so long as the cost does not exceed 400 million dollars." In Bulgaria "a substantial safety improvement programme" has been started at Kozloduy with financial assistance from the European Community with a view to maintaining the operation of the reactors until 1995 or 1996. Operation beyond that date will depend on the results of an enquiry to be completed by the end of this year, the IAEA said. At the Russian plants, "a safety improvement programme is in progress and it is envisaged that these plants will operate for the 10 coming years with regular checks made by the competent authorities." Bulgaria, Czechoslovakia and Russia have asked the IAEA to maintain their safety study programme, the agency said.

Poland, CSFR, Hungary, Ukraine Sign Economic Pact

LD1702115892 Budapest MTI in English 1019 GMT 17 Feb 92

[Text] Warsaw, February 17 (MTI)—A four-way economic and cultural cooperation agreement between Poland, Czechoslovakia, Ukraine and Hungary was signed on Sunday in Jaslo, Poland. Under the agreement, which primarily concerns border-zone territories, duty-free areas will be created and an inter-regional bank set up to finance joint investment projects.

A subCarpathian council for inter-regional cooperation was established at the meeting held to coincide with a Polish fair attended by numerous small and medium-sized enterprises from the four countries. A Warsaw discussion last weekend by the Visegrad trio's deputy secretaries of state for foreign affairs also focused on cooperation between the Visegrad trio and Ukraine.

The Hungarian delegation head Ivan Baba told MTI that the trio have no plans for further expanding bilateral links institutionally, although Hungary is also interested in intensifying relations with Ukraine.

Bocka Interviewed on Kosovo, Other Issues

AU1702110092 Tirana ATA in English 0905 GMT 17 Feb 92

[Text] Tirana, February 17 (ATA) - Recently, the Foreign Minister of the Republic of Albania Ilir Bocka gave an interview to the editor of the newspaper "ZERI I RINISE". To the question how does he consider the actual moment for the Albanian question in general and that of Kosovo in particular, Mr. Bocka said that with the democratic awakening both in Albania and in Kosovo and other territories of the former Yugoslav Federation with Albanians living in, which is closely linked also with the positive democratic atmosphere predominating in Europe today, the Albanian question in general has a good political conjuncture as well as hopes for the future. He laid the stress on backing up the efforts on contemporary, democratic and European criteria.

Regarding the stand of the neighbours toward the Albanian question as well as toward that of Kosovo the foreign minister pointed out that this stand is still undetermined and varies in conformity with their interests, the political conjuctures and pan-European stands.

Dwelling upon the positive statments by some American senators and congressmen regarding the question of Kosovo, Mr. Bocka pointed out that we have hailed these statements which not only make evident the violation of human rights in Kosovo but also demand from the executive to recognise the Republic of Kosovo, as an expression of realising democracy in practice. In conclusion the foreign minister points to the stand of the government of the Republic of Albania which backs up unreservedly the efforts of the Republic of Kosovo for international recognition, expressing the belief that only in this way will the Yugoslav crisis be solved correctly.

Kosovo's Bukoshi Supports Opposition in Elections

AU1702210292 Tirana Radio Tirana Network in Albanian 1830 GMT 17 Feb 92

[Text] Dr. Bujar Bukoshi, chairman of the government of the Republic of Kosovo, cited by Radio Croatia on the basis of his interview with Albanian Television, declared that we hope to trust that the people will vote for the democratic opposition in the 22 March elections in Albania.

Answering the question of whether the democratic forces in the world can rely on democratic forces in Albania, Mr. Bukoshi answered:

First of all, we as a government support the organization of early elections because we consider that the elections will speed up the stabilization of Albania. Kosovo and the whole Albanian nation have a great need for a strong and fully democratic Albania. For the sake of this stabilization, we hope and believe that the people will vote for the democratic opposition. Dr. Bujar Bukoshi, prime minister of the Kosovo Republic, went on to say that we have offered and will always offer full support for the victory of the democratic opposition, fully convinced that the victory of democracy is a victory for the whole Albanian nation.

Socialist Party Holds Election Rally in Tirana

AU1502142592 Tirana ATA in English 1302 GMT 15 Feb 92

[Text) Tirana, February 14 (ATA) — The steering committees of the Socialist Party of Tirana city and district organised at "Partizani" palace of sports a rally on the opening of the new electoral campaign.

Taking the floor the chairman of the Socialist Party Fatos Nano said among other things, that today the Socialist Party of Albania opened the new electoral campaign with this manifestation, in which you are showing the love for Albania and democracy, the fact that Tirana is with the Socialist Party, that this party has contributed more to the preservation and development of the democratic processes which the others have attempted to destroy.

We are showing today that we need to be united as Albanians, as socialists, that the socialists have showed that unity makes strength. Elaborating the program of the Socialist Party for the electoral campaign he underlined that the Albanian Socialist Party commits itself to defend the interests of the majority, of the rank and file people, of Albania and it will not allow the fruits of democracy be enjoyed by a new class of priviledged people. In conclusion he reaffirmed that Socialist Party will go to the polls to win and it will win in the name of Albania.

The participants in the rally launched the slogans "Europe is with us", "Down with the dictatorship", "Socialist Party will win", etc.

Republican Party's Godo Gives News Conference

AU1602142692 Tirana ATA in English 0910 GMT 16 Feb 92

[Text] Tirana, February 16 (ATA)—On February 15, the chairman of the Albanian Republican Party Sabri Godo gave a press conference at the Palace of Congresses in Tirana on occasion of launching the election campaign. Firstly, Mr. Godo read out a statement of the Republican Party, which carried among others some considerations of this party on the political mood of the country. The Republican Party, he said, has striven for an alliance of opposition parties, which would be the axis of the political developments and would have its impact on the world as well. We multiplied these endeavours for a coalition in elections. We upheld that the three opposition parties have the same candidates in almost half of the precincts, so as the opposition win two-thirds of seats in the parliament, said Mr. Godo, but he pointed out that we must say that the agreement will be applied only in some zones. We uphold, he said, that in other precincts too, the three major opposition parties and other

anticommunist and democratic parties must not exert energies to gain ground over one another. Speaking of next elections, he said that the Republican Party will forward its decent candidates in every precinct.

The chairman of the Republican Party Sabri Godo aired his views on some issues preoccupying this party on the eve of elections. The elections, he said, must be free and must be held in a tranquil atmosphere. The destructive forces have laid hands on the high tension electric lines. Army has been formally depoliticized. The young officers, the middle and low cadres find themselves as if enclosed "in Red walls" because the senior officials belong almost to the previous nomenclature. The parliament did not succeed in issuing a law on disarmament. There is imperative need for arms collecting. The government must devote a greater attention to these issues, every negligence will charge it will great responsibility for the destinies of the country.

Speaking of the situation abroad he described it as dangerous. It is a wonder and a pity that in a democratic Greece, our sons who emigrated for a better life are brutally treated. Regarding this it is necessary that the sound forces in Greece and the European public opinion intervene. As for the Serb threat, which is making a middle age type colonization in Kosovo, the Republican Party has long since aired its own views.

As for the holding of the Assembly for National Conciliation and Unity, he said that such an assembly cannot be held without solving beforehand the fundamental question, that is whether communist domination will continue or democracy will be established in Albania and the initiative for its convocation should be launched by those who have the right to pardon.

Then Sabri Godo answered the questions of reporters.

Berisha Says DP To Form Coalition With Others

AU1502143892 Tirana ATA in English 1306 GMT 15 Feb 92

[Text] Tirana, February 15 (ATA) — On February 14, the chairman of the Democratic Party [DP] Sali Berisha gave a press conference.

At the beginning Prof. Berisha read out a statement stressing that the election campaign began and March 22 elections are of a decisive importance in the history of post-communist Albania. The victory of the opposition will mark the definitive introduction of the country on the road of democracy. DP is convinced that it will win in these elections. But as a party of understanding aiming first of all at establishing democracy in Albania, it considers the advent to power as a means for the realisation of this goal, it considers indispensable the creation of a broad coalition with the opposition forces to realize a profound and merited victory of the opposition in the coming elections. The Democratic Party has decided to [word indistinct] joint candidates in certain zones with the opposition parties, with the Republican and Social-Democratic parties. DP is ready also to collaborate also with all the other opposition parties voicing their good desire and will. DP appeals once more to its members and sympathizers for a quiet election campaign. We express our sorrow for the offending and hysteric tones of the propaganda and statements of the SP [Socialist Party] leaders in different cases especially by their organ "ZERI I POPULLIT".

Later on the secretary of this party, Mr. Eduard Selami informed the participants of the elections conducted in Romania, where he was in the composition of a group of international observers. Then the chairman of the DP, Mr. Sali Berisha responded to the questions of the journalists stressing among others that the participation of the Social-Communists will be excluded from the coalition government to be created after the elections which be crowned with the victory of the parties of the opposition. He said that the DP will evaluate the work and contribution of the intellectuals. It is convinced that the DP will win in the countryside, etc.

Government To Cease Uranium Extraction

AU1802123292 Sofia BTA in English 1114 GMT 18 Feb 92

[Text] Sofia, February (BTA)—The government yesterday decided to stop uranium production. In the last few months this was the subject of heated arguments in the press.

Last year Ivan Pushkarov, minister of industry, trade and services in the former cabinet, ordered an expert examination at the rare metals company. It established that production costs exceeded sales by 1,176 million leva in the 1976-1990 period. The experts' assessment of the uranium industry was negative.

Bulgaria's uranium deposits are of a lower quality than commercial deposits worldwide. They are hard of access, limited, unequally distributed and have a low uranium content. At the current rate of extraction the deposits will last 15 years but the cost of 1 kg is too high. The content of uranium 235 and 238 in this country is only 0.015 per cent, while the limit for exploitation of deposits in most countries is 0.03 per cent.

Hundreds of tonnes of uranium were stockpiled after the world demand for uranium dropped and trade with the former Soviet Union—the major user of Bulgarian uranium, stopped. The production cost of Bulgarian uranium is 60 dollars per kilo, while on the world market it costs between 22 and 23 dollars.

In connection with the Council of Ministers' decision "OTECHESTVEN VESTNIK" today carries an article headlined "Uranium Production About To Stop." The author writes about the characteristics of uranium production in Bulgaria and the problems which will emerge if it stops.

In the first place there is a danger of pollution of the soil with sulphuric acid used in uranium extraction. The second danger is that the water in the mines may rise thus becoming another source of pollution.

The third problem is that many people—about 12,000 according to the author, will lose their jobs. She suggests that they should take part in the dismantling of the equipment and in technical recultivation. Miners could be retrained for the coal mining industry where there is a labour shortage.

2d Round of Local Elections Planned for 23 Feb

AU1502210692 Sofia Khristo Botev Radio Network in Bulgarian 2030 GMT 15 Feb 92

[Text] On 23 February a second round of voting to elect local authority organs will take place in the majority of the electoral districts that did not return an absolute victor in the first round. The Central Electoral Commission has announced that because of errors certain of the results from the first round will be referred back to the electoral districts for checking.

Prime Minister Outlines Government's Priorities

AU1502210592 Sofia BTA in English 2035 GMT 15 Feb 92

[Text] Sofia, February 15 (BTA)—Today Prime Minister Filip Dimitrov said that privatization, the encouragement of private business, of the investment processes and of employment, the growth of production, the improvement of the taxation system and the settlement of the foreign debt are among the priorities of the policy of the Bulgarian Government.

In tonight's Panorama weekly political review of the Bulgarian Television, speaking of the first 100 days in office of the Bulgarian Government, Prime Minister Filip Dimitrov said that the government cannot be expected to perform miracles. Things should take their due course and the government will continue to work in this direction showing concern for the people. He expressed the hope that the actions of the government will be understood and supported.

The prime minister said that the first 100 days of the government were not easy. There were protests, threats and strikes. The government worked hard, but according to him, the reform stopped six months ago. It will continue after it is given an adequate legislative impetus. The aim is to start privatization which would guarantee the market mechanisms.

A privatization act should have been passed a year ago, but since this did not happen we decided to give way to small privatization, the prime minister said. According to him, some corrections should be introduced to the privatization bill and this will be done soon.

Council of Ministers Approves New Taxation Bill

AU1802092592 Sofia BTA in English 1942 GMT 17 Feb 92

[Text] Sofia, February 17 (BTA)—The Council of Ministers approved in principle a value added tax bill providing for a unified tax rate. Its size will be determined later on. Finance Minister Ivan Kostov's bill mentions 20 per cent.

The value added tax is to substitute the turnover tax and, according to Finance Minister Kostov, it has a number of advantages. Land has been excluded from the range of goods covered by the value added tax. The bill provides for buildings to be taxed only once—in cases of transference of ownership over them after the introduction of the new tax.

The new tax is expected to bring about insignificant changes of prices, according to the estimations of the Ministry of Finance. The total change in the case of a 20 per cent value added tax will be 3.81 per cent. The most tangible changes will be in the prices of housing, heating and lighting—9.1 per cent. The prices of foodstuffs are expected to rise by 7.14 per cent and of clothes and

footwear to drop by 1.8 per cent after the introduction of a 20 per cent value added tax.

An excise duty bill was also adopted in principle. It specifies a list of 17 goods and services subject to excise duty—alcohol, tobacco articles, leather wear, automobiles, gold and silver articles, petrol, diesel, gambling games and wine and brandy produced by physical persons. Excise duties will vary between 15 per cent on automobiles to 50 per cent on gambling games.

Trenchev Comments on Podkrepa Congress Results

AU1702193392 Sofia DEMOKRATSIYA in Bulgarian 13 Feb 92 p 1

[Interview with Dr. Konstantin Trenchev, Podkrepa Labor Confederation president, by Teodora Panayotova; place and date not given: "Podkrepa Congress Reelects Dr. Trenchev Chairman"]

[Text] [Panayotova] Dr. Trenchev, what was the crucial moment of the congress?

[Trenchev] The adoption of the charter was the most crucial moment. It was seriously amended, and if the delegates had not adopted it, the congress would have been meaningless. With the charter and the program we gave the confederation a new image. We accomplished a lot of work during the five days of the congress. Some 800 delegates thought, discussed issues, and in the final analysis, adopted the most precise decisions.

[Panayotova] Did the congress adopt a document that contradicted your views?

[Trenchev] There is not a single decision that does not conform my views. I do not impose my views. They simply conform to the opinions of the organization.

[Panayotova] How did you feel during the hour when you were not a Podkrepa member?

[Trenchev] Naturally, it was not very pleasant, but I could not agree to an undemocratic decision. The decision to strongly curb the access of former Communists and Komsomol members to Podkrepa was extremely unjust. This meant to deprive a man who, for example, was a Komsomol secretary in high school from joining Podkrepa. I think that this was a part of the preliminary script on splitting the organization, or at least, for creating a confrontation between the organization and myself. The confederation was and will continue to be against the communism, but this does not mean that will violate our democratic views.

BSP Report Details Country's Economic State

AU1802104192 Sofia DUMA in Bulgarian 13 Feb 92 p 4

[DUMA PRESS report: "Bulgarian Society Can Expect Sharp Rise in Inflation, Bankruptcies, and Unemployment This Year"]

[Text] During 1992 Bulgarian society can expect sharp rises in inflation, bankruptcies, unemployment, and a deterioration in the social climate.

Calls for patience have already exhausted their force. The political and social capital of the reform has almost run out. The biggest danger is emerging, namely the final destruction of opportunities for a national market economy and the imposition of a futile market economy, of Latin American type.

With inflation at 600 percent, a 40 percent production decrease, and over 400,000 unemployed, Bulgarian society is in a far graver situation than any other East European country.

The report read by its chairman, Zhan Videnov, at the Bulgarian Socialist Party's [BSP] Supreme Council session on 8 February states that the main problems in the economic field come from a conscious delaying of privatization, understood not simply as an aim but as an instrument of the unavoidable structural reform and a means of giving people economic power.

In 1991 the country's gross domestic product fell by approximately 23 percent in comparison to the previous year (11 percent was envisaged in the agreement with the IMF). For the same period the national revenue decreased by almost 30 percent. One-third of Bulgarian companies have cut production by almost 40 percent, are not paying their debts, and could be declared bankrupt at any moment.

According to forecasts, the production decrease will continue at 8-10 percent during 1992. The causes for this are mainly connected with decreased consumer demand (due to high prices), limited production (due to high interest rates), limited state expenditure on health care, education, and science (affecting respective production), and reductions in opportunities for compensation through foreign trade.

The report also indicates another important cause as the lack of a government program and structured policy, irresponsible reorganizations, uncertain relations with the trade unions, and the fluctuating normative base.

According to the report, "the time bomb" during 1992 will be agricultural land and the village. The abolition of the agricultural cooperatives and the labor cooperative farms, the concerns caused by amendments to the Land Law, and mainly the Union of Democratic Forces' idea to return property within real borders are creating confusion and anxiety among the people.

Despite the widely acclaimed monetary transition toward the reform, there are just as many failures in the sphere of finance. Toward the end of last year, before attending to the foreign debt, the cash deficit exceeded 6 percent of the gross domestic product (the IMF had envisaged 0.1 percent).

The internal debt to the Bulgarian National Bank was estimated at 46 billion leva in October 1991.

The only relative success of the reform is in the sphere of banking. Here the differences between those aims set by the IMF and the results achieved are the smallest.

According to the agreement made with the IMF, the currency exchange rate ought to fluctuate from 7 to 10 leva to the dollar after the range was amended from 15.5 to 18.5 leva to the dollar. In reality the minimum during 1991 was 14 leva, the maximum, 28, and now it holds steady at around 24 leva. The report states that the rate will probably reach 31-35 leva to the dollar in 1992.

Instead of 1.6 billion dollars of credit, Bulgaria in fact received barely 0.5 billion. The reasons for this are mainly the country's political, social, and legislative instability.

According to the report, the social dimensions of the crisis are considerable. The number of unemployed now stands at approximately 420,000. Over 200,000 people are on a reduced working day or compulsory vacation time. This exceeds the number envisaged in the IMF agreement 2-3 times over. Forecasts foresee unemployment as standing at approximately 800,000 by the end of 1992, and if wide-scale bankruptcies occur, approximately 1 million or over 25 percent of the working population could be unemployed.

Approximately 200,000 unemployed will be left with no income, nor any social benefits, and this figure will rise to approximately 500,000 over the next few months.

In 1991 inflation reached 601 percent (in comparison to an envisaged rise in costs of 288 percent). In 1992 this may increase by over 80 percent. The population's actual wages in 1991 decreased by approximately 45 percent (in comparison to a planned decrease of 30-35 percent). These figures and facts indicate that the lowest consumer levels were reached. The report states that the financial resources of most Bulgarian families only cover their current expenses.

In 1992 the government will continue its attempts to steady the exchange rate mainly through the budget. However, the forecast of some of those who spoke at the plenum was that the government would not be able to compensate other large areas of expenditures through the budget. All payments in clearing dollars will now take place in convertible currency, power supply subsidies will be beyond the budget's capacity and quickly rising prices will take care of this burden.

Some of the members of the BSP Supreme Council foresaw that the cabinet would try to compensate for the disastrous economic situation through a powerful propaganda campaign on the economic catastrophe, through various other methods to divert public opinion, and through illusory changes.

Poll Shows Majority Support Macedonia Recognition

AU1702100692 Sofia BTA in English 0932 GMT 17 Feb 92

[Text] Sofia, February 17 (BTA)—According to the results of an opinion poll held by the National Public Opinion Centre about 64 percent of Bulgarians approve the recognition of Macedonia as an independent state, which Bulgaria did on January 15, 6 percent do not approve it, 30 percent do not have an opinion.

The supporters of the ruling Union of Democratic Forces are most enthusiastic about the recognition: 57 percent firmly approve this act and 17 percent approve it but consider it to have been precipitate. As to the supporters of the Bulgarian Socialist, formerly Communist Party, the figures are respectively 22 and 35 percent.

A relatively large part of the followers of the Movement for Rights and Freedoms, protecting the interests of Bulgarian ethnic Turks, approve the recognition of Macedonia—35.9 percent, but the percentage of people who have no opinion on this act or are little interested in it is very high—57.8 percent. Almost the same percentage of people just would not vote.

Few Bulgarians with university or college education are indifferent to the recognition of Macedonia. The opinion poll shows that 80-90 percent of the Bulgarian intelligentsia approve this act either absolutely or with some reservations.

Prague Demonstration Protests Treaty With Germany

LD1602010992 Prague CSTK in English 1604 GMT 15 Feb 92

[Text] Prague Feb 15 (CSTK)—About 4,000 people protested in the centre of Prague today against the text of the Czechoslovak-German friendship treaty, initialled by the two countries' foreign ministers on October 7. German Chancellor Helmut Kohl is expected in Prague at the end of this month to sign the treaty.

In Czechoslovakia, some opposition parties have objected to the description in the treaty of the transfer of Germans living in Czechoslovakia's border regions (Sudetenland) after World War II to Germany, carried out in accord with the 1945 Potsdam conference, as "expulsion." About 2.5 million Sudeten Germans had to leave. Sudeten German organisations in Germany have been wanting the treaty to settle their claims to their property in Czechoslovakia, nationalised under 1945 presidential decrees, but the two countries' foreign ministers have agreed not to deal with this issue in the treaty.

In a resolution, the participants in today's gathering asked the federal parliament to discuss the treaty before it is signed "since the broad public had no opportunity to express itself on the treaty's present text."

Slovak Deputy Criticizes U.S. Human Rights Report

AU1702164392 Prague CSTK in English 1116 GMT 13 Feb 92

[Excerpt] Bratislava Feb 13 (CSTK)—[passage omitted] Slovak Parliament Deputy Chairman Jan Klepac on Wednesday strongly protested against the U.S. State Department's annual report on human rights observance in the world in 1991 which, as he put it, presents Slovakia as an anti-Semitic country. Klepac said the accusation could be linked to last year's defamation of Jewish cemeteries in Slovakia (among other places, in Nitra and Trencin, west Slovakia).

The investigation to date has not proved the share of any citizens of the Slovak Republic in these acts, Klepac said. He added he thinks it was a provocation, reasoning that youngsters—skinheads—most likely would not write the defamatory words in German or English. Moreover, Klepac claimed, foreign journalists and photographers were immediately on the alert. He said that since all this is a clear effort to discredit Slovakia in the eyes of the world and since international relations fall within Slovakia's powers, he had asked (on February 10) the U.S. consul in Bratislava, Paul Hacker, for [an] explanation.

Slovakia's Minister for International Relations Pavol Demes will go to the United States and discuss this problem with State Department representatives.

Dobrovsky Rejects Slovak Claims on Army Deployment

LD1502175492 Prague Federal 1 Television Network in Czech 2130 GMT 12 Feb 92

[Interview with Slovak National Party Deputy Jan Slota and Defense Minister Lubos Dobrovsky by unidentified correspondent in Prague on 12 February—recorded]

[Excerpts] The Defense and Security Committees of the Federal Assembly have discussed weapons. The agenda included the progress of the redeployment of the Czechoslovak Army. During the deliberations a situation arose calling for a session behind closed doors.

[Slota] My contribution concerned the redeployment of the air force within the framework of the Czechoslovak Army, above all in Slovakia, because of the entire number of CSFR combat air force, in Slovakia there is now 5 or 6 percent. According to the military doctrine approved by the Federal Assembly, this is an essentially unimaginable situation—6 percent of the air force is in Slovakia. [passage omitted]

[Correspondent] Mr. Minister, was there really a leak of secret information?

[Dobrovsky] I am convinced that there was a leak. As to the statements made about it, I must say that the facts are different. There was a leak of information about the numerical operational deployment of Czechoslovak arms systems based on what we envisaged during one test exercise where we verified possibilities and principles for working out operational plans. Deputy Slota said that he received the information by mail and had no need to verify it with an expert. He did not turn to the chief of staff or the ministry. Thus, the situation occurred that, even though he was not able to judge the value of this information himself, he published it.

The meeting of the defense and security committees stopped for a while and journalists left. Those who did not have to be there at that moment left. Only the deputies remained. Deputy Slota then completed his report.

What else is different? We did not talk about redeployment, we talked about how the political resolution or declaration that we call the military doctrine is being fulfilled. Redeployment is just one part of the transformation of the Czechoslovak Army.

[Correspondent] Mr. Minister, let us turn to facts.

[Dobrovsky] I am turning to facts. The fact is that everything is different again. We cannot talk about the defense capability of Slovakia or the Czech Republic or any part of our state. Military doctrine says that the territory of the Czech and the Slovak Republics is understood to be a united strategic territory. This is how we are working. If Deputy Slota says that there is only 6 percent of the air force in Slovakia, he is not saying anything that is not already known or that has been known for ages. We are not hiding this. We know why

there is 6 percent of the air force there. If Minister Slota asked, we would have told him how we are tackling the situation as a whole, but he did not pay attention when the chief of the general staff explained the entire situaton prior to Slota's address. [passage omitted]

[Correspondent] A CSTK report says that Slovakia is no more threatened than the Czech Republic. Some Slovak deputies in the Federal Assembly came up with the idea of a threat—even Slovak officers.

[Dobrovsky] They did not say that Slovakia is more threatened. They complained at the military prosecution of some unknown employees of the general staff and at the civilian prosecution in the hope of prosecuting the minister of defense because we have not fulfilled the military doctrine. As a result of this behavior of ours, which according to them satisfies the stipulations of paragraph 91 of the criminal law, in their view we have committed high treason in unison with a foreign power. This is nonsense for many reasons. One of the main reasons is that military doctrine is a political declaration. It is not law, so there can be no infringement upon military doctrine in the sense of the law. [passage omitted]

Federal Assembly Considers 'Slovak Liberation Army'

Prosecutor Presents Letter

LD1302180592 Prague Stanice Ceskoslovensko Radio Network in Czech 1700 GMT 13 Feb 92

[Text] Chief Military Prosecutor Miroslav Krizenecky attended today's meetings of the [Federal Assembly's] Defense and Security Committees to present a letter treated as a secret document which he received from military sources. Before the end of the meetings Deputy Ladislav Lis noted that the letter could be a provocation but because of the importance of its content, the committees must deal with it.

According to information received by the Czechoslovak Press Agency from well-informed sources, the text of the letter concerns the forming of the Slovak Liberation Army [Slovenska Osvobozenecka Armada] as an armed body of the Slovak nation. Its role is to achieve Slovakia's independence and all citizens of the Slovak Republic are called on to work for this. They are urged to gather arms and ammunition in order to be ready to obey an appeal by the Slovak Liberation Army to defend the republic's territory and independence. The Slovak Liberation Army is supposed to begin combat actions if the Slovak National Council does not declare the full independence and sovereignty of the Slovak Republic before the end of 1992. The document is deemed to contain several points breaking several laws.

Langos: SLA 'Dangerous Game'

LD1702200592 Prague CSTK in English 1903 GMT 17 Feb 92

[Text] Bratislava Feb 17 (CSTK)—Czechoslovak Interior Minister Jan Langos today said the distribution of leaflets announcing the alleged existence of a Slovak Liberation Army (SLA) is a very dangerous game. Speaking at a press conference of the Civic Democratic Union-Public Against Violence (ODU-VPN) of which he is a member, Langos referred to a letter received by Miroslav Krizenecky, Czechoslovakia's chief military prosecutor, on Thursday last week.

The letter says the Slovak Liberation Army was created on January 1, 1992, with the aim of violent secession of Slovakia from the Czechoslovak Federation unless the Slovak parliament proclaims Slovakia's sovereignty in a political way by the end of 1992. Langos said similar letters were registered already a year ago, but no evidence proving the existence of a Slovak army has been gained.

He said the Interior Ministry and the Federal Security Information Service (FBIS) has been checking any anonymous information, including hints of the existence of secret caches of weapons, but none has been confirmed. Langos did not deny the possible connection between the announcement of the alleged existence of the SLA and the culminating talks on a future state setup for Czechoslovakia.

The Czechoslovak Federal Assembly (parliament) today started talks on three sections of a new Czechoslovak constitution arranging relations between the president, parliament and government. The parliament decided to go ahead with the talks in spite of the fact that the draft Czech-Slovak agreement on the principles of the future setup, which is to be the basis for the new constitution, was rejected by the presidium of the Slovak regional parliament on February 12.

Slovak Soldiers Group Assails 'Trick of Prague'

LD1702213692 Prague CSTK in English 2032 GMT 17 Feb 92

[Text] Bratislava, Feb 17 (CSTK)—Representatives of the nationalist "Association of Slovak Soldiers" (ASV) today called the announcement about the creation of the Slovak Liberation Army "a bad trick of Prague" aimed at discrediting Slovakia's emancipation effort. Saying the whole affair around the Slovak Liberation Army, from which the ASV has dissociated itself, was a provocation aimed to prevent Slovak citizens from learning about the real level of Slovakia's defence capability. According to the ASV, it is intentionally maintained at a low level. [as received]

It is also to divert attention from mass thefts of weapons. The thefts are a consequence of declining discipline in the army whose command has no concept of work, the ASV said. Between May 1, 1991, and January 12, 1992,

57 automatic submachine guns, 98 pistols, 273 hand grenades, 4 tank machine guns, 4 rifles and 40,000 cartridges were stolen from the Czechoslovak army.

The ASV representatives said the army and state security services continue to be controlled from one political centre. In the past, they were controlled by the Communist Party of Czechoslovakia, now by the former Civic Forum, they said. The army command is in Czech hands, said the ASV which considers many Czech commanders, including Defence Minister Lubos Dobrovsky, to be incompetent. The ASV believes political parties should have military experts so that defence and security issues can be dealt with in parliament in a qualified way.

Leaders Comment on Draft Constitutional Treaty

Carnogursky Notes Ramifications

LD1702203592 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1700 GMT 17 Feb 92

[Interview with Slovak Prime Minister Jan Carnogursky by Lubomir Lindtner; place and date not given: "Ten Minutes With the Prime Minister"—recorded]

[Excerpts] [Lindtner] Although the next 10 minutes are reserved for the Slovak prime minister and for questions connected, above all, with this activity, there are situations which arise during the week in internal political life where one cannot ignore your role as chairman of the Christian Democratic Movement, that is the political grouping which, because of the attitude of its representatives, above all in the assemblies, is a significant factor currently influencing events at home. So Mr. Prime Minister, how do you view the voting in the Slovak parliament Presidium on the text of the proposed agreement on the state administrative arrangement and, above all, the attitudes of four deputies of the Christian Democratic Movement [CDM] who, by voting against, determined that the draft text of the agreement was not accepted by the Slovak National Council Presidium?

[Carnogursky] The voting in the Slovak National Council Presidium on the draft agreement is very unfortunate and the voting of the four CDM members of this Presidium is naturally also very unfortunate. Those who voted against perhaps thought that not signing the agreement at this time is more advantageous for Slovakia. I think they were wrong.

[Lindtner] The proposed text of the agreement on state administrative arrangements, which arose on the basis of the activity of the commission of national parliaments, is being criticized for having minimal legal power. Some time ago, a state agreement was being talked about, then an agreement of the republics. You yourself stressed in our interview that from a legal point of view, in fact, nothing has changed. The latest draft of the text contains the word people. People, however, represent a political category, not just a legal category. The critics mention other concessions. They note that in fact the text of constitutional law No. 143, dated 1968, on the Czechoslovak Federation was implemented. What do you think about that? On the current political chess board, is it an objective result of the possible?

[Carnogursky] The preamble of the draft agreement mentions people of the Slovak Republic and the Czech Republic, but it also mentions that the basis of the agreement is constituted by the will of the republics—also a preamble. This expresses the participation of the republics in this agreement. Yes, the agreement is a result of a compromise between the Slovak viewpoint and the Czech viewpoint. The measure of this compromise can be derived also from the fact that, for example, at the beginning of the year, Mrs. Buresova, chairwoman of the Czech National Council, publicly announced that there will be no agreement between the Slovak and Czech republics.

Today, a draft agreement has been worked out. I repeat, the agreement is a result of a compromise, but it is a compromise which creates space for both republics to develop their foreign contacts. According to the agreement, republics should [words indistinct] conclude international agreements with other states. It also provides scope for the republics to put their economies, politics, and culture in order at home. The republics can do all this according to the agreement under the auspices of a legally secured state, legally secured in the sense of international guarantees which Czechoslovakia has as a state, and this means that they can do this in peace and at a pace which suits them.

[Lindtner] In the entire previous period when you, personally, were the first to propose an agreement between the Czech and Slovak republics, you frequently described very clearly the qualitative contents of such an agreement. Is this not an effort to achieve an agreement even though its contents do not fill your original expectations?

[Carnogursky] As I have said, the text of the agreement is a compromise and certainly does not contain all our ideal wishes about its contents. But I repeat, even such a text creates sufficient space for the republics so that they can move toward their aim of gaining complete equality on the European scene. And I repeat: a move toward this aim peacefully, securely, under the protection of the international community. It is true that I also feel morally obliged to stay faithful to my proposal to conclude an agreement between the Slovak Republic and the Czech Republic and when such a proposal was worked out—in the end with the agreement of both sides—I also feel it my moral duty not to move away from the principle of the agreement. It seems to me that the critics of the agreement—those who do not want to agree with the draft do not want to agree because they have no interest in concluding the agreement with the Czech Republic, because they think that they will have more advantages if free. I am not sure if that would be more advantageous for the Slovak Republic. [passage omitted]

[Lindtner] In connection with the state administrative arrangement, one often notes that Slovakia has left-wing leanings. In Bohemia, the direction is toward the right. This indicates that coexistence, sooner or later, is not possible. How do you assess the attitudes which will prevail in future developments? First of all, I would not like to run ahead of developments in Bohemia and Slovakia—that is Slovakia to the left, Bohemia to the right—perhaps right-wing parties will be more vociferous in Bohemia in the future but according to public opinion research, left wing or left-of-center parties will gain a majority in the elections.

[Carnogursky] Yes, one cannot rule out that political developments in Slovakia and Bohemia will follow different directions. In the long run, political conditions in Slovakia and Bohemia are different because they are two different nations and people. We were aware of this fact during the actual proposal of the agreement as well as during everyday politicking. But there is a clause in the agreement for such an occurrence. In the event that the majority of the population wishes it, a republic may leave the common union through a referendum. However, I assume that if this is the case, the inhabitants of the republic should have the right to consider the impact of such a step, as well as the conditions under which the republic can leave the common union according to the agreements currently valid internationally. If a new state arises in a democratic manner, in a constitutional manner, specifically in a referendum, the international community is willing to receive such a state in their midst. [passage omitted]

Democratic Slovakia Head Critical

LD1502195692 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1100 GMT 12 Feb 92

[Interview with Vladimir Meciar, Movement for Democratic Slovakia chairman, by editor Magda Pospisilova on 12 February; date not given—recorded]

[Text] [Meciar] I do not blame the Czech side for the document [Milovy draft constitution]. It is the Slovak side on its own that is fully responsible for it.

[Pospisilova] Why do you think Ivan Carnogursky behaved as he did in Milovy? Some people claim that his step reminds them of the proceedings of Antonin Novotny in the 1960's.

[Meciar] Ivan Carnogursky declared publicly last year that by the end of the year there will be a Slovak state. At the same gathering he repeated that the Slovak state will be here by the end of March. I do not want to make comments on his speeches, but I know that there are two theories on the Slovak political scene. One, that we call the theory of confusion and chaos as represented by Frantisek Miklosko: If these concessions are not made, blood will be spilled. The second is the theory on the fight on two fronts, which is represented by the family of Carnogurskys, that we cannot have both problems with the Czechs and with the Hungarians. First one problem must be settled and then the other.

With regard to the statements of Ivan Carnogursky on the Slovak National Council or on the position of the Slovak bodies, he must explain to citizens publicly why he is changing his stand from supporting the idea of the Slovak state to what has been made up now, which actually is a unitarian federation.

When I used this term at a news conference two weeks ago the radio staff was surprised. This was a premonition of the situation we have now, because what is here now is not a legal treaty. This is not a political agreement, as it does not specify the subjects taking part in it and does not give the date from which it will come into force. It is a deviation and a way to abandon the jurisdictions won in 1990. It is the reinforcement of centralism similar in form to the constitution of Antonin Novotny. It changes Slovakia as a republic into a region, with its governmental and parliamentary bodies getting into a position of former national regional committees. Well, I thank you very much for this sort of policy.

[Pospisilova] At the news conference you said that the most important thing will be the position of the deputies of the Christian Democratic Movement. In your view, what is the probability that this document from Milovy will be passed by the Slovak National Council or by the Federal Assembly?

[Meciar] Simple calculations show that the opposition in the Slovak National Council has 69 votes. If you take into consideration that the governmental coalition is supported permanently by Egyueteles and by the Hungarian Christian Democratic Movement, then it has the majority. If a part of nationalist-oriented deputies in the Slovak National Council found the courage and were able for the first time to break in themselves the principle of obedience to their parties and were able to vote in the interests of the Slovak Republic, then this act would not be passed.

In any case, a bad treaty will harm both the Czechs and the Slovaks. In addition, this bad treaty would be given international support. In order to give the rest of the states a feeling that the Central European territory is a solved problem and peace reigns there, they would later pressure us into giving in and respecting the treaty we have here. This treaty in its legal form actually goes back to the system of 1960 when the Czechoslovak Socialist Republic was adopting its constitution in which the Slovak Republic and its bodies were only an ornament. This resulted in nationalistic pressure. If this happens today then this will become a topic for the pre-election struggle.

I am afraid that in order to be able to say that he has done something, Mr. Carnorgursky sacrificed the basic interests of the Slovak Republic, to be able to present a certain document that he was able to get through. This is not allowed.

[Pospisilova] In concrete terms, what do you think will happen to this document in the Federal Assembly?

[Meciar] I think that our deputies and the deputies of the opposition will vote against it. I do not know what the situation will be in the Christian Democratic Movement. The Christian Democratic Movement has actually opened the path toward this state of affairs already in Zilina when they said that they want a treaty now but after the elections they want a looser treaty. This means that there was pressure from the Czech side. We will see what will happen after the elections. The question is: To what extent are deputies of the Slovak National Council and its members able to support a nationally oriented program of this movement? They are the decisive factor in this process. Therefore, I cannot give you a real answer to this.

With regard to the Federal Assembly, we have 31 votes with which we are able to block while the current constitutional situation is still in force. However, one man who would hesitate out of 31 formed by the deputies of the Party of Democratic Left, Slovak National Party, and our party could actually mean a constitutional change with unaceptable consequences for Slovakia. Can you imagine what sort of political work it is to keep all 31 deputies with the same political belief?

[Pospisilova] Of Slovak state officials 27 are involved in investment privatization funds despite the fact that a decree by the federal government bans such participation. Is the decree of the federal government binding for the Slovak Government, which agrees with their participation?

[Meciar] What has been published is not the whole picture. There will be other documents published in time from other channels. The decree of the federal government is a document that has a general binding legal character and is obligatory for all citizens of the state. This includes people who are in the government. The Slovak Government says that the general laws and decrees do not apply to them. The decree of the government is a higher norm. Its legal force is that of a law but it is generally binding. If anybody interprets it in this way, then it cannot be described as a lawyers' attempt to interpret the law.

Czech Deputies 'Welcome' Next Meeting

LD1602094992 Prague Stanice Ceskoslovensko Radio Network in Czech 1700 GMT 13 Feb 92

[Correspondent Alena Millerova reports on the Czech National Council Presidium special session in Prague on 13 February—recorded]

[Text] [Millerova] First of all, Dagmar Buresova, chairman of the Czech parliament, expressed her view on the situation.

[Buresova] I welcome the next joint session of the presidiums, above all, because I expect that those deputies who voted against it will tell us what they voted against, whether they voted against the block on power sharing or whether they voted against the futher block on proceedings—and about who should be concluding the agreement or, whether, in fact, they are against everything. Certain forces have appeared recently in Slovakia and, unfortunately—now it is not only the Slovak National Party, which is principally against everything—that help maintain the common state. And it is for this reason that I think that further meetings of the presidiums are very important and I consider them necessary.

[Jiri Vlach, deputy chairman of the parliament] The Presidium today adopted a resolution which reads as follows: First, the Czech National Council Presidium acknowledges the results which were arrived at by the Czech National Council and the Slovak National Council commission at Milovy on 3-8 February 1992. Second, it considers the joint proposal of the agreement on the principles of the state administrative arrangment of the common state worked out by this commission as the basic point of departure for the talks of the national council presidiums on the final wording of this agreement. Third, it acknowledged information that a significant part of the Slovak National Council Presidium queried yesterday the results achieved in the talks at Milovy. Fourth, we are prepared to complete talks on the agreement with the Slovak National Council Presidium and we expect the same from the Slovak National Council Presidium.

[Millerova] We have also interviewed Jan Kalvoda, deputy chairman of the Czech National Council.

[Kalvoda] The progress is developing depending on how relevant the report is on the talks of the Slovak National Council Presidium. We have no official report. We only have a report from mass media and a report mediated by several members of the Slovak National Council Presidium so that all depends on how relevant the report is about which, in fact, the Slovak National Council Presidium voted. This is not known. The question, as it was posed, is not known to us. It is for this reason that we decided to react as we have.

Roundup of Czech Press Articles

AU1702155492 Prague CSTK in English 0829 GMT 14 Feb 92

[Excerpt] Prague Feb 14 (CSTK)— Commenting on Wednesday's rejection of a draft agreement between the Czech and Slovak republics by the Slovak parliament Presidium, the Czech daily MLADA FRONTA voices concern about the fact that four members of the Christian Democratic Movement (KDH) were among those voting against the draft (worked out by political representatives of the two republics last weekend to become the basis for Czechoslovakia's new constitution).

"For already several months a nationally-oriented stream has been strengthening within the movement (KDH)," the paper says and adds that "its pragmatic chairman Jan Carnogursky has as yet always succeeded in controlling it."

Deputy Chairman of the Czech parliament Jan Kasal in the Czechoslovak People's Party daily LIDOVA DEMOKRACIE raises a question "whether the result of the voting in the Slovak National Council Presidium and the clash between two wings within the KDH will not result in a sharper differentiation, possibly even the birth of a faction or a new political force on the Slovak political scene."

The private rightist daily CESKY DENIK stresses that in the Slovak parliament, the government coalition is more dominant in the Presidium than in the floor. "If (Czech National Council Chairman) Dagmar Buresova hopes that the draft still has a chance to be approved by the Slovak parliament, her hope is merely a hypothetical one," the daily says.

The farmers' daily ZEMEDELSKE NOVINY points out that also on the Czech side there are differences in approach to the draft. Some parties, as the Civic Democratic Alliance (ODA), object that the draft stresses the national principle while they intend to build the common state on the civic principle.

Publicist Jiri Hanak in the independent daily LIDOVE NOVINY says last weekend's Czech-Slovak talks "gave birth to a mouse" which "did not live long." He sees the crucial problem in the splitting political scene in Slovakia, where the main trumps before the June elections are held by Vladimir Meciar, chairman of the opposition Movement For a Democratic Slovakia (HZDS). Hanak sees the future as a choice between "a common state under the baton of national socialist Meciar" or "a split of the state and continuation of the reform in the Czech lands." [passage omitted]

Calfa Pessimistic on State Preservation

AU1802100192 Bratislava NARODNA OBRODA in Slovak 14 Feb 92 pp 1, 2

[Interview with Prime Minister Marian Calfa by Branislav Janik in Prague; date not given: "Calfa—a Pessimist?"]

[Text] The draft treaty on the principles of the constitutional setup of the common state [concluded at Milovy on 8 February] has become the number one topic.

[Janik] Mr. Prime Minister, have you recently changed your opinion on the conclusion of a treaty between the republics, or between the national councils?

[Calfa] I am a realist. Relations between the republics will no longer be governed by any but the contractual principle. What is not correct, however, is that the treaty has been drafted, or concluded, with the suspicion in the back of the mind that someone wants to usurp the common state and that the question of whether the common state can function is this way has not been considered.

[Janik] Well then, what do you think about the text agreed upon at Milovy?

[Calfa] I do not think that it will work, judging from the reports that have been submitted to the cabinet by government representatives who attended the Milovy talks. If we actually want to have something that is called a state, it must also work. The problems in transportation are just the latest example. These problems have arisen, aside from other reasons, also because of the unfortunate division of powers. At the same time, everyone blames only the federal government for these problems.

[Janik] Eleven votes were needed in the Slovak National Council Presidium for the draft treaty to be approved. As is known, the voting ended in a stalemate—10 to 10. What outcome in the vote did you expect?

[Calfa] I expected an even worse outcome. I personally think that the discussion of the draft treaty in the Slovak National Council plenum will have the same negative outcome.

[Janik] In other words, are you of the opinion that the will to live in a common state is disappearing in Slovakia?

[Calfa] I have had this feeling for several weeks. None of the political forces is declaring clearly the will to preserve the common state.

[Janik] None? Does that include the party that you are a member of—the Civic Democratic Union-Public Against Violence [ODU-VPN]?

[Calfa] I was thinking of the decisive political forces. The ODU-VPN is a political party but I do not have the feeling that it shapes the political atmosphere in Slovakia at this moment. Everything leads to a decision on Slovakia's autonomous status, either as an independent state or on a confederative principle. A confederation is no longer a common state but the coexistence between two states.

[Janik] So far, you have always conveyed the impression of being an optimist. What you are saying now sounds pessimistic. When will a decision be made?

[Calfa] I am pessimistic and my pessimistic conclusions are based on the talks I am conducting. I think, however, that nothing will happen until the elections. The treaty will be rejected in the Slovak National Council and, possibly, also in the Czech National Council, the federal parliament will block constitutional changes, and the status quo will thus be preserved. In the end, everything will come about under the control of the winners of the June elections. That is democratic. The voters will elect someone, so let them enjoy him for four years.

Dubcek Notes Positive Steps

LD1602115992 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1730 GMT 14 Feb 92

[Interview with Federal Assembly Chairman Alexander Dubcek by correspondent Sveton; place and date not given—recorded]

[Excerpts] [passage omitted] [Sveton] Many politicians, deputies, and citizens here in northeast Slovakia are amazed at the way the Slovak National Council Presidium voted on the Milovy draft treaty and at the responses of individual parties and movements. Mr. Chairman, what is your view on this before the forthcoming session of the Federal Assembly, to be held next week?

[Dubcek] I welcome the positive steps that have been taken. I think the whole situation has moved forward. The process is not complete, many other countries have been in a similar situation and have sought a solution for many years. I am convinced we will find one too. It would be ideal if we could manage next week to solve at least the issues that are the minimum requirement for a new, further development of statehood.

[Sveton] What do you think makes the politicians unable to agree?

[Dubcek] The key to the solution is in both pairs of hands. The Czech representation has it too. I frequently feel that even now, the Czech side would be well advised to understand one key issue. If we are to build the common statehood on the basis of two equals, it is necessary to remember the old views surviving from the former unitarianism, which cannot come to terms with the decentralization of political power toward the republics, and then communities, towns, and regions. The process is closely connected with the state setup. [passage omitted]

Progress, Concerns of Coupon Privatization Reported

Czech Industry Ministry Report

AU1702155692 Prague CSTK in English 1635 GMT 13 Feb 92

[Text] Prague Feb 13 (CSTK)— A total of 2,737 privatization projects were presented to the Czech Ministry of Industry to date, 1,272 of them were competitive projects, Czech Deputy Minister of Industry Rudolf Hanus told reporters today. Hanus said the value of the property proposed for the first privatization wave is about 250,000 million crowns (8,620 million USd), which constitutes two-thirds of the overall property owned by the 1,543 companies falling under the Czech Industry Ministry. Altogether 43 organizations asked to be included in the second privatization wave.

The ministry recommended 445 enterprises for privatization, with property worth 85,000 million crowns, Hanus said. He said the Czech Government has approved 14 privatization projects for direct sales and 138 projects for privatization through vouchers. The ministry, helped by a team of foreign experts, has published a list of 50 selected companies suitable for privatization through direct foreign capital participation, Hanus said.

Fourteen of the presented privatization projects, valued at 2,000 million crowns, are proposed for direct sale to foreign investors, Hanus said. In 90 projects foreign partners are expected to buy from the state a part of the shares worth about 20,000 million crowns, and it has been agreed that foreign investors would further invest about 26,000 million crowns, Hanus said. He added that over 80 joint ventures with the participation of foreign capital worth about 20,000 million crowns (about 690 million USd) are registered with the Czech Industry Ministry.

Czechs Reject Territorial Division

AU1702190992 Prague LIDOVE NOVINY in Czech 14 Feb 92 p 16

["Jimi" report: "Uncertain Fate"]

[Excerpt] Prague—The uncertainty regarding the continuing existence of the common state and the beginning of coupon privatization were the reasons for yesterday's extraordinary session of the Czech Government. Allegedly, a proposal was to have been discussed, according to which the enterprises in the first wave were to be divided into three categories, i.e., the federal and republic ones. A Czech Republic citizen would not be able to place his coupons in enterprises within the jurisdiction of Slovak bodies and organizations, and vice versa. The government eventually turned down the proposal because it would necessitate amendments to the constitutional laws. "If the hypothetical division of the federation occurred," Deputy Prime Minister Jan Strasky said, "we would have to consider the method of changing the composition of the share owners with respect to the Czech and the Slovak assets." He confirmed that the government discussed the validation (authentication with duty stamps) of the shares. [passage omitted]

Post-Privatization Division an Issue

AU1702190492 Prague RUDE PRAVO in Czech 13 Feb 92 p 3

["RW" report: "Minister Jezek's Nightmare"]

[Text] Prague—"The issue of maintaining the federal character of coupon privatization or its division is an issue directly linked to the risk of the collapse of the federation, and it is my nightmare," Tomas Jezek, minister for the administration of national property and privatization, stated during an intermission of the Czech Government session on 12 February.

If the Slovak privatization funds obtained an interest in the Czech property and then the federation collapsed, it would

have unforeseeable consequences, Jezek explained. Therefore, he believes that a decision on the constitutional arrangement must be made prior to the coupon privatization preliminary round, i.e. before 17 February. "I do not want to claim that the coupon privatization or the privatization minister should decide the fate of the federation. It is not my jurisdiction, and nobody can demand it from me," Minister Jezek emphasized. "Nonetheless, I must point it out and stimulate an initiative to deal with this issue. Two alternatives exist—either the coupon privatization will be a federal one, or it will be divided. It is an all or nothing situation," he said.

Preliminary Investments Begin

LD1802020792 Prague CSTK in English 1319 GMT 17 Feb 92

[Text] Bratislava Feb 17 (CSTK)—Czechoslovak citizens owning voucher booklets may decide, beginning today, to which of the investment privatisation funds (special stock companies investing vouchers) they wish to entrust their vouchers in the preliminary round of the country's voucher privatisation.

Each of the 8,253,000 registered voucher holders throughout the country may give part or all their 1,000 investment points to any of 437 privatisation funds. But those who give up all 1,000 points will lose the chance to buy shares in individual companies in later privatisation rounds. Nevertheless, voucher holders will be entitled to a corresponding stake in the fund's business. This preliminary round will finish as soon as complete lists of companies coming under the first wave of voucher privatisation is made available. The overall value of these companies is about 260,000 million crowns (8,966 million USd).

Carnogursky Discusses Insider Investment Deals

LD1402135992 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1100 GMT 11 Feb 92

[Interview with Slovak Prime Minister Jan Carnogursky by correspondent Magda Pospisilova at the Slovak Government Presidium meeting on 11 February—recorded]

[Excerpts] Slovak Prime Minister Jan Carnogursky has said several times that the publication of the report on personal and capital links between privatization investment funds and investment companies would not be a sensational revelation. The material has been lying on the government's desks for two weeks. Today's debate by the Slovak Government Presidium has declassified the material for the public. [passage omitted]

[Carnogursky] The Presidium acquainted itself with the report and acknowledged its contents. It also decided that it would be made public. It will be deposited with the press department of the Office of the Slovak Government, and is open to anybody who can show a press pass. [passage omitted]

There is no reason to dramatize the report, because the data contained therein has never been secret and has always been accessible to everyone. All data, on every firm or enterpreneur, has been entered in the register of companies. In its entirety the data is on the computer of the Central Register of Enterpreneurs located in Kosice. Anyone can obtain information free of charge on demand. The Slovak antimonopoly office has only summarized the information on some of the privatization funds. [passage omitted]

As far as personal and capital links go, not all privatization investment funds are included in the report. They are mainly those founded by financial institutions which were in essence state owned, as the majority of the capital of these institutions is state owned. On this basis, the financial institutions have sent their employees or ministries' staff to become involved in the privatization funds in order to gain control over or regulate these investment funds. [passage omitted]

As for a political dimension to the issue: You will see that both state administration and top functionaries of the political opposition are represented in the management or monitoring councils of the funds.

[Pospisilova] Prime Minister, can you specifically say how many state officials are involved in the privatization funds?

[Carnogursky] I cannot say, as there are many. Even this report is incomplete. It is selective, as it does not include all privatizaton funds. [passage omitted]

[Pospisilova] What about members of the government and deputy ministers?

[Carnogursky] There are no government members on the list. Two deputy finance ministers are cited in the report as members of the monitoring or management councils of privatization funds. The minister of finance has told me they are no longer employed and have not been for about six months. [passage omitted]

[Pospisilova] Are relatives of the people in question also included in the report?

[Carnogursky] Yes, the report has investigated them to some extent. I think the way it has been done is not entirely thorough. [passage omitted]

[Pospisilova] Prime Minister, do you feel that on publication of the report investment funds are becoming easier to survey?

[Carnogursky] Only as far as the composition of the monitoring and management councils is concerned. I am not saying that this particular angle is the most decisive in clarifying the situation surrounding the privatization funds.

[Pospisilova] Could it be that you do not want to name names?

[Carnogursky] If I took them out of context, it would give the whole thing the air of a scandal. [passage omitted]

[Pospisilova] The government has not adopted any measures on the involvement of state officials in privatization funds. Will it do so in the future?

[Carnogursky] No, it has not. I must repeat that we see the continuing membership of some ministries' officials in the funds' councils as useful if the majority of the capital is owned by the state. Then it is in our interests that the ministry has complete information on the fund's activities. [passage omitted]

Slovak Economics Minister Views Arms Conversion

LD1402164292 Prague CSTK in English 1630 GMT 13 Feb 92

[Text] Bratislava Feb 13 (CSTK)—The 1988 volume of Czechoslovak arms production totalled over 29,000 million crowns, i.e. 1,000 millioon USd, (19,300 million crowns in Slovakia—61 per cent), Slovak Economics Minister Jozef Belcak told a press conference today. The conversion of arms production to peaceful purposes concerns at present 38 Slovak enterprises, Belcak said, adding that the process cannot be realised immediately but is dependent on the drafting of new production programmes. Last year the Czechoslovak Government allocated 1,500 million crowns (1,200 million for Slovakia) to support these programmes. Belcak said that 64 substitute civilian production programmes for Slovakia have been approved.

A Conference on European Security and Cooperation (CSCE) seminar dealing with the arms conversion will open in Bratislavia on February 19.

Klaus Notes Concern on Increased Wage Inflation

LD1402152292 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1100 GMT 12 Feb 92

[Press briefing by Federal Finance Minister Vaclav Klaus on the federal government session in Prague on 12 February; in Czech—recorded]

[Text] The movement of wages that is taking place recently is more of a warning to me than a debate. What happened with regard to salaries in the last quarter and in the last month of 1991 is similar to what happened in the state budgets of the Czech Republic and Slovak Republic in the last month of 1991. An unbelievable increase in wages took place. Until recently wages were not one of the inflationary factors. There was more behind the prices. Therefore, wages did not play a role in what is professionally called an inflationary impulse. Now, however, this does not apply. We have found ourselves in the second stage where the other inflationary factors are no longer important and where wages have become an inflationary impulse.

I would like to tell everyone that in the last quarter the average wage in Czechoslovakia went up by 500 korunas. This is an unbelievable leap. If somebody thinks that in the last quarter something advantageous happened to Czechoslovakia so the average wage could go up by 500 korunas, I hope that everybody realizes that this does not apply. I would like to tell everyone that the average wage in Czechoslovakia is now 4,492 korunas. This is such an enormous leap compared to the previous situation that what is a threat to us now is not the changeover to world prices, monopoly structure of our production, the surplus of demand, or suppressed inflation inherited from the past. The inflationary impulse today is wages.

The government discussed the need to change our previous idea on how to regulate wages in 1992 and to change the view on two matters: the permitted control cipher for the growth of wages and whether we should apply this against the end of the year or against the second half of the year or the first half of last year or the average of the whole year. The government decided that it cannot be applied to the last quarter, but that the average value for 1991 should be taken into consideration and considered as the axis around which we should develop the further growth of wages.

Government Protests CSFR Gabcikovo Decision

LD1402142992 Budapest Kossuth Radio Network in Hungarian 1300 GMT 14 Feb 92

[Text] The Hungarian Government describes as illegal and considers unacceptable the decision of the Czechoslovak Federal Government on putting the Bos [Gabcikovo] power station into operation, because the work to implement this decision is aimed at diverting the Danube.

The Hungarian Government's statement emphasizes that the decision of the Czechoslovak Government and the work that has begun are not in harmony with the interstate treaty on the building and operation of the Bos-Nagymaros water barrage system that was signed in 1977. It also emphatically calls to the attention of the Czech and Slovak Republic that a unilateral diverting of the Danube is against the principles laid down in international law on the inviolability of state borders, general common law [altalanos szokasjog] pertaining to international rivers, and the spirit of the 1948 Belgrade agreement on the Danube.

The Hungarian Government calls on the Czechoslovak Government to halt the work leading to diverting of the Danube.

Jeszensky Meets Serb Opposition Leader Draskovic

AU1702155292 Budapest MTI in English 1443 GMT 14 Feb 92

[Text] Budapest, 14 February (MTI)—The Movement for Serbian Renewal strives for goodneighbourly relations and friendly ties with Hungary, Vuk Draskovic, head of the opposition movement, said in Budapest on Friday. Earlier, Draskovic held a two-hour consultation with Foreign Minister Geza Jeszenszky.

Draskovic expressed the hope that Hungary's partner would be a democratic Serbian monarchy. Keeping goodneighbourly relations in view, Draskovic said that any Hungarian statement concerning any change in the status of Vojvodina generates tension among Serbs. On this score, Draskovic said he was "greatly relieved" to hear the Hungarian foreign minister saying that Hungary does not have any territorial claim on Serbia.

Discussing the situation of national minorities, Draskovic urged that all individual and collective freedoms be guaranteed for them so that neither the Hungarians in Serbia nor the Serbians in Hungary should feel themselves to be guests.

Concerning the future co-existence of the southern Slav states, Draskovic informed the Hungarian foreign minister on the 4 + 2 scheme, under which Macedonia, Montenegro, Serbia and Bosnia-Hercegovina would form a commonwealth of states, similar to the European Community. In the initial period, he said, the four states would develop loose forms of cooperation with Croatia and Slovenia.

In a move to settle the situation of Serbian Krajina in Croatia, Draskovic proposed that western Hercegovina, an area with a Croatian majority, be annexed to Croatia, and Krajina to Serbia.

In reply to journalists, Geza Jeszenszky said he had a useful consultation with Vuk Draskovic. The foreign minister termed the 4 + 2 scheme as a remarkable idea. Besides guaranteeing sovereignty, the chief merit of this idea lies in conceiving the future of the southern Slav countries as a kind of integration rather than as a fragmented national state, he said. Cooperation and the openness of borders coincide with Hungarian endeavours, Jeszenszky said. In the Hungarian approach, integration into Europe may be the best guarantee for successful cooperation within smaller geographical regions.

After his talks with Geza Jeszenszky, Vuk Draskovic met board members of the Hungarian Democratic Forum.

Draskovic Briefs Press

LD1502215392 Belgrade TANJUG Domestic Service in Serbo-Croatian 1546 GMT 15 Feb 92

[Text] Budapest, 15 Feb (TANJUG)—"I am here in Hungary on behalf of the entire Serbian democratic opposition with a view to ensuring that Serbian-Hungarian relations become not only better than they have been so far, but as good as they can possibly be," said Serbian Renaissance Movement [SPO] President Vuk Draskovic at today's news conference.

Replying to questions in the presence of a considerable number of journalists, Vuk Draskovic said that the status of minorities was the dominant theme in the Budapest talks, pointing out the SPO stand that minorities in a democratic Serbia must have all national rights. As for the minorities in the two countries, Vuk Draskovic urged their territorial, administrative, and personal autonomy, depending on how numerous they are. Serbs in Hungary, he said, have no grounds for territorial autonomy, but must have personal autonomy, while Hungarians in Vojvodina can have both.

The Serbian opposition leader also stressed that Serbia, in the view of SPO, is single and united, but that minorities living in it should enjoy all rights in keeping with European criteria. Vuk Draskovic also said that agreement was reached in Budapest on the inviolability of borders, because any allusion to their revision "is pure madness that must be publicly condemned."

In reply to a question on a possibility of resolving the Yugoslav crisis, Vuk Draskovic revealed details of his plan "four-plus-two"—a commonwealth of four republics in which Slovenia and Croatia form associations. In this connection, he announced that he is leaving for

Ljubljana in a few days' time at Milan Kucan's request to discuss ways of establishing future relations.

A prerequisite for finding a solution—which is not the best but the least imperfect one—is "to remove the present authorities in Serbia, because no one in Yugoslavia wishes to have any discussions with them on a future community." In his words, the Serbian opposition will request on 9 March the departure of the present authorities, saying that it has the support of Serbia's entire young generation, which is against a civil war but strongly urges radical changes.

Replying to a question on the political involvement of writers in the politics of Eastern Europe—bearing in mind the cases of Vaclav Havel and Arpad Goncz—Vuk Draskovic said that this phenomenon is most probably the consequence of circumstances in post-communist countries as well as the fact that literature contains elements of both politics and tragedy, which have always attracted writers. Speaking about himself, Vuk Draskovic claims that he has no political ambitions and that he will leave the political scene and return exclusively to writing "as soon as I see the back of communism in Serbia."

Airspace Violation by Yugoslav Aircraft Reported

LD1602144992 Budapest Kossuth Radio Network in Hungarian 0700 GMT 15 Feb 92

[Text] The Yugoslav military leadership so far has not replied to the Hungarian protest over the fact that a Yugoslav plane violated Hungarian airspace on 13 February. The Defense Ministry Spokesman has said, on the basis of fresh investigations, that yesterday morning an unarmed military plane appeared in the Szeged district, flying slowly, presumably for reconnaissance purposes. The plane, bearing the markings of the Yugoslav People's Army, flew over Hungarian airspace for 14 minutes at low altitude. For this reason, the military estimated its course only after a delay and interruptions. As a result, the Hungarian interceptors that took off had no chance to intervene.

Telecommunication Network With Croatia To Expand

LD1402181192 Budapest MTI in English 1555 GMT 14 Feb 92

[Text] Budapest, February 14 (MTI-ECONEWS)—An analogue microwave telecommunication system is to be developed between Budapest and Zagreb as a temporary way of expanding telecommunications links between the two countries, a top official at the Hungarian telephone company, Matav, has announced.

Deputy general director Peter Tolosi told MTI that the decision was made at talks on Thursday between Matav and the Croatian post office and telecommunications company at Varasd, Croatia, on Thursday.

Tolos said that the 300-channel microwave system will be added to the 24 "duplex circuits" currently operating between Budapest and Zagreb. The system has already been developed on the Hungarian side as far as the Hungarian border.

The agreement stipulates that the system will be replaed at the end of 1993 by a new, state-of-the-art connection compatible with the two countries, own optical tie fibre network.

Transport Agreement With Slovenia Signed 14 Feb

LD1402162692 Budapest MTI in English 1410 GMT 14 Feb 92

[Text] Budapest, February 14 (MTI) - Hungary and Slovenia concluded an inter-governmental road transport agreement in Budapest on Friday. On behalf of Hungary, the document was signed by Csaba Siklos, minister of transport, telecommunications and water management, and on behalf of Slovenia by Marijan Krajnc, minister of transport and telecommunications. The agreement was the first one the Slovenian Government had ever signed.

On Friday, the ministers surveyed the conditions for creating road and air connections between the two countries, and studied the ways of improving telecommunications links.

The agreement now signed complies with the European endeavours to liberalize the freight market, and guarantees the flow of services free of administrative

Goncz, Foreign Affairs Committee Hold Discussion

LD1502194392 Budapest Kossuth Radio Network in Hungarian 1700 GMT 12 Feb 92

[Report by Istvan Kulcsar on the National Assembly's Foreign Affairs Committee session on 12 February]

[Text] Attending the session of the Foreign Affairs Committee was President Arpad Goncz, who had been invited by the committee for an informal discussion. Tamas Katona, state secretary for foreign affairs, was also present.

Arpad Goncz proposed, and the deputies agreed, that in the future they should meet from time to time to discuss issues such as the affair of the Magyar minorities outside the borders, the Hungarian-Romanian and Hungarian-Czechoslovak relationships, and the issue of the Bos [Gabcikovo] power station.

There was agreement between the participants regarding the possibility or desirability of agreement between the government and the opposition regarding foreign policy. A bigger debate developed concerning the responsibility of the president of the republic in international affairs and concerning his constitutional sphere of competence,

a debate that went into legal subtleties but was of political content This debate—which was not free of interjections by committee chairman Gyula Horn and State Secretarty Tamas Katona—in the end yielded clarification of the stand. At least in appearance, there were friendly smiles.

Geza Ivan, a deputy from the Smallholders' Party, received a reply to a question on whether the president of the republic wants the sphere in his jurisdiction to be expanded. The reply by Arpad Goncz is that he does not want this, all the less so because he has not availed himself of all of his freedom.

It was clarified that the letter sent by the Hungarian president to the president of the southern Slavic states was prepared with the participation of the Foreign Ministry. Andras Pap, a deputy from the Hungarian Democratic Forum, was given a substantive reply by Arpad Goncz to his question in connection with his London meeting with Robert Maxwell's son. It was a private conversation. Ian Maxwell reported the circumstances of his father's death, according to the information from Arpad Goncz.

Antall Comments on Opposition, Role, Plans

LD1402170192 Budapest Kossuth Radio Network in Hungarian 1730 GMT 11 Feb 92

[Interview with Prime Minister Jozsef Antall by reporter Henrik Havas on 11 February; place not given—recorded]

[Excerpts] [Havas] Many people read this morning in NEPSZABADSAG that you held talks with Peter Tolgyessy at the beginning of last week. Why did this meeting, which you initiated, take place?

[Antall] The news in itself is true, but neither the date nor the content are correct. I was really surprised by the interview of NEPSZABADSAG with member of parliament Marton Tardos. [passage omitted] I am ready to talk with leaders of other parties, even privately, including the opposition parties, as long as incorrect information is stated following tete-a-tete meetings. I will not have anything to do with people who distort my words afterwards. [passage omitted]

[Havas] Is it true that the Hungarian Democratic Forum [MDF] intends to postpone the 1994 elections? Have you talked about this possibility with the Free Democrats [SZDSZ]?

[Antall] This just shows that it is customary to fabricate wild, groundless news in this country. This has never cropped up, and it would be absurd constitutionally to come up with something like this. [passage omitted]

[Havas] Let us move on. NEPSZABADSAG cited you as telling Peter Tolgyessy that you have ways to quiet right-wing tendencies within the MDF.

[Antall] [passage omitted] There is no danger of a right-wing shift of any sort within the Hungarian Democratic Forum. I do not have to work out any kind of tactical plan against this. We work with very good, stable cooperation. [passage omitted]

[Havas] At the weekend congress of the Federation of Young Democrats [FIDESZ] in Pecs, Viktor Orban set up a logical scenario. He said that the MDF represents a decayed, old world that will never again return to Hungary. The explanation he gave for this danger is that the MDF has yielded to its populist wing.

[Antall] First, it is a fact—and I have said so—that part of the description of the nature of opposition is exactly this. Laszlo Koever [FIDESZ parliamentary deputy] once said that opposition criticizes the government or speaks out against the government coalition. This includes the possibility that the opposition will make statements intended to be offensive. The MDF does not wish to bring back any sort of decayed, old world. The MDF, on the basis of historical continuity, really wants to restore the value system that, in the continuity of Hungarian history, was broken by Nazi occupation and by the communist dictatorship. All periods have mistakes, errors, and crimes, but this value system belongs to a country's continuity and development—which can be broken only by foreign occupations and that can be forced on us by foreign occupations [as heard]. I am very proud to be Hungarian, and I hope that the whole Hungarian nation is proud that truly distorted political systems have always been introduced in Hungary from the outside. Generally, they were not the products of Hungarian historical development, but they were state and government forms forced on us from the outside by foreign occupations. [passage omitted]

The true political force, core and center, of the MDF—and, in my conviction, of the coalition—is committed to a modern, democratic, social, economic, and political system in accordance with the end of the 20th century. There is no question of populism [populizmus] having become dominant within the MDF. The use of this concept is not applicable to the entirety of the MDF nor to a major part of it.

Everyone is familiar with the three main MDF political and ideological trends, which are constituted by the popular-national legacy [nepi-nemzet oeroekseg], the national-liberal legacy, and the Christian Democratic legacy. The MDF is not a world ideological party. The Christian Democratic People's Party, for example, considers itself to be a world ideological party. The MDF is a program party [programpart], and the above legacies can be found as currents within this program party. I believe that all three currents appear together in the political development and ideological legacy of my own life. There are very many poeple who regard things this way. There are some who are more attracted to one part or to the other. [passage omitted]

[Havas] Miklos Tamas Gaspar [opposition politician] says in an article published today that Hungarian democracy is in a bad state for real politics to take place and power to manifest itself. According to Gaspar, in the MDF, appointments, dismissals, and giving property mark the road of the coalition. This relates to what you were saying earlier about populism in the MDF and showing strength.

[Antall] I can say that no matter how much Gaspar would like to camouflage his message under the English conservative etiquette, what he says is the real populism. What he carries out is the real populism. It is what they say very often. [passage omitted] What they say is simply not compatible with reality. It is as simple as this: A change of regime has to be conducted. With the change of regime comes a transformation of the institutions of the country, including the political and economic institutions. Whenever personnel changes occur, the opposition starts political bellyaching. If a new candidate is not directly from their own people, they fabricate that he is the kith and kin of this, that, or the other. [passage omitted] I am really sorry that learned people like Gaspar and Marton Tardos approach serious questions with such sad populist phraseology.

[Havas] Many people see a strange controversy surrounding you. First, you said that there is not a populist right wing in your party. It ensues from this that, in that case, you cannot interpret your own centrist role very well, because if there is no right wing, why are you a centrist? The other idea, formulated by Zoltan Biro, vice president of the National Democratic Alliance, is that the direction of the parliament is carried out by manual steering with the prime minister's predominance. On one hand, you are supported in order to maintain the power of the center within the MDF, but on the other hand, this center is felt to be overweight, mainly in regard to administration.

[Antall] First, the terms right wing and left wing can be connected to the parliamentary position of a given era. Kossuth said in 1868 that the phrases right wing or left wing have no meaning outside the conference hall of parliament. As a result, to talk about whether the MDF is a left-wing or right-wing party within itself has no meaning at all. [passage omitted] A party can only be governed from the center. As a government force, it is obvious that it must stand in the center. It simply means this, and not that I am continuing some sort of gymnastics between left and right or am spending my time trying to stay on the trapeze. This is just silly claptrap. I do not wish to talk about it.

[Havas] What about the overbearing prime minister vis-a-vis parliament?

[Antall] This is perfectly understandable. What should Zoltan Biro say. after having left the MDF as appointed executive chairman before me. Obviously, there were reasons for him leaving the MDF. Subsequently, he formed a new political organization with Imre Pozsgay, who left the Socialist Party. One can not begrudge their criticism. Zoltan Biro has to say various things, so obviously he says that there is manual steering. What is this manual steering ? It is just one of those fashionable phrases. [passage omitted]

[Havas] The Young Democrats started their election campaign. Although they have not nominated anyone, they have already started to search for your sucessor as the new Hungarian prime minister. They quote a simple figure. On the popularity list, they have 34 percent, compared to the MDF's 15 percent. Consequently, they forecast that they are going to win the elections in 1994.

[Antall] As to who will win the elections in 1994, that is an open matter. I hope that the part of the country's population that does not participate in the local elections and that sympathizes with the political ideas represented by the MDF will realize during the national elections that there is something real at stake and that support has to be given. I believe that our political forces and our party will be able to elucidate the fact that this is the very road we had to take. It is no coincidence that the world evaluates this the same way and that we will show results.

It is another matter that my successor is being sought. It is very correct if my successor is being looked for in many places, for Hungarian politics requires the existence of potential prime ministers and that ministerial candidates should be from every party. The country should be able to count on this. I add that my situation is not made stable—if I would desire this—by the fact that there is no other person or political force on which to rely. Leading politicians of foreign countries ask me what will happen if the coalition collapses for any reason, for example, during the election, and who there is to count on in such a situation. [passage omitted] The parties should nominate as many prime ministerial candidates as possible so that if something happens in this country, if the coalition breaks up or if something happens to me, it will be no big problem and everything will go on.

[Havas] The health of the Hungarian prime minister is a public affair. [passage omitted] I am sitting here facing you, and you look good. The other thing you mentioned is the question of succession. If the coalition falls apart or something happens to you, there are few more important public affairs than your health. How do you feel?

[Antall] Fine, thanks. [passage omitted] As regards the UN Security Council summit, I would have liked to have gone, but I had the flu. The foreign minister represented the Hungarian Government in excellent fashion. [passage omitted] I believe that major issues were not decided at this UN Security Council summit in New York. Of course, I was involved in the preparation and the talks following it. I am of the view that it can be regarded as a protocol event of historic significance. [passage omitted]

As far as my succession is concerned, at the moment I do not have to deal with this issue concretely. Obviously a government and a political party have to be prepared for such a thing to happen, for anything can happen to a prime minister or to anyone at any time, but I do not think it is a question for the very near future. For the time being, the responsibility is mine. I will try to handle things as fairly as I have done so far. Let me repeat: I will be genuinely glad if more and more prime ministerial candidates are running around the corridors of the parliament building.

Budapest Mayor Views Politics, Favors Coalition

AU1302131392 Budapest MAGYAR HIRLAP in Hungarian 10 Feb 92 pp 1, 6

[Interview with Budapest Mayor Gabor Demszky by "Cs.N.L."; place and date not given: "Demszky: A Grand Coalition Could Ensure That Budapest Can Function"]

[Excerpt] [passage omitted] [MAGYAR HIRLAP] Could a grand coalition be a solution in Budapest?

[Demszky] I believe that a grand coalition of the Hungarian Democratic Forum [MDF], the Federation of Young Democrats, and the Alliance of Free Democrats would be desirable in Budapest. We must make an attempt at this. If we cannot establish this grand coalition, then the big investments like building a bridge, the underground, or a market hall—which also require complete cooperation with the government—would turn from being issues for the experts into political issues. It is easy to prove that Budapest is unable to manage big investments and that we can hinder the government's intentions in many ways. It is easy to do this in the current unstable situation—we are good at pointing the finger at each other. It is very bad if the ministries become politicized and the various department leaders believe that they provide a service by not allowing things to work out.

[MAGYAR HIRLAP] Does the MDF faction show any support for a grand coalition?

[Demszky] One of the most important issues of the general meeting and one of the most important debates we held was on the World Expo. The liberal leadership of Budapest confronted the MDF on this issue, but the parliament decided this debate independently by passing the law, and this law is more favorable for the capital then the previous proposals were. We said that we would not hinder the intentions of the MDF-led government, we will implement it, and we are waiting for the decision of the international exposition's bureau. I shall continue to keep to the promise. If the international exposition's bureau registers the World Expo, that will improve cooperation in Budapest, and the government and the capital will increasingly have to rely on each other. The plans can only be implemented if we cooperate. Although I still maintain that the World Expo is a risky business, we have finished this debate; we can only implement it if there is unity, and this may create a chance for either a consensus or a grand coalition.

[MAGYAR HIRLAP] The foreign policy activities of the Mayor's Office have noticeably increased in recent weeks. You have set up an international relations department to deal with the tasks. What actual duties warranted the creation of a separate department?

[Demszky] The experiences of the past 13 months convinced me that politicians of the European capitals are showing an increasing interest in our capital. The facilities offered by Budapest can also be successfully used by Hungary's foreign policy.

[MAGYAR HIRLAP] How can you explain the increased interest in us?

[Demszky] First of all, after the collapse of the communist world, Europe is seeking its own identity and, in this process, the role of the capital cities has increased. European capitals can take on an important role in resolving the conflicts and dangerous situations of this region. The conference entitled "Small States and National Minorities in the Changing Europe" organized in Maribor, Slovenia on 3-5 February, in which I participated, shows this very well. This conference contributed very well to alleviating the tension in this area. At this conference, it again became evident to me that, as the importance of borders is decreasing in an integrating Europe, the significance of capitals, local governments, and links between cities is increasing. We are witnessing a process where the leaders of capital cities are becoming factors in diplomacy, and they are becoming increasingly independent of their states. These regular meetings provide an excellent opportunity for establishing economic links. [passage omitted]

Walesa Supports Special Powers for Ministers

LD1302174192 Warsaw PAP in English 1725 GMT 13 Feb 92

[Text] Warsaw, Feb. 13—President Lech Walesa Thursday [13 February] declared his full support for the Council of Ministers' seeking to gain special powers and said they are "indispensable now because we have to do with a lack of law or breaching the law." Walesa attended a meeting of the cabinet presidium. Prime Minister Jan Olszewski said the president took part in the meeting because it was very important and decisive for the final shape of the assumptions of the government's socioeconomic policy that are to be submitted to the Sejm in two days time.

Speaking to newsmen after the meeting Walesa said the special powers for the government were needed for a long time already. He said he had come in favour of such powers already as a unionist some time ago. "Prompt actions are very important at the time of reconstruction, but you cannot destroy the main assumptions of democracy and parliamentarian system," Walesa warned.

Asked whether Walesa had any reservations to the "assumptions" Olszewski told newsmen that the president made only some general remarks, so the discussion revolved round general concepts of the social and economic policy rather than concrete data or provisions. Olszewski disclosed, however, that "Walesa's position was convergent with some orientations represented by members of the cabinet." "We have different opinions, but the same direction," Walesa added. He admitted that some of his opinions had been accepted while on some other points he came to share the views of the cabinet.

Both the president and the prime minister declined to disclose whether the talks concerned also the possibility of broadening the government coalition.

Walesa Attends Presidium Meeting for First Time

LD1302232992 Warsaw TVP Television Network in Polish 1830 GMT 13 Feb 92

[Text] President Lech Walesa has for the first time taken part in a meeting of the government Presidium. The guidelines for socioeconomic policy for 1992 were discussed for two hours.

[Begin recording] [Unidentified correspondent] You are participating in a meeting of the government Presidium for the first time. Have you been prompted to do this by some extraordinary circumstances?

[Walesa] No, no. No, I have not been prompted by some extraordinary circumstances, just that this government had to have time to put the stage in order. I did not want to be a hinderance in all of this. Now, the stage is being put in order and we must make efforts to insure that there will not be duallism within the authorities, for us to know each other's stand, because when I represent Poland as president I must cooperate on subjects and in plans that the government creates and for which it is responsible. [end recording]

The president announced that such contacts will now be frequent, because the deep reform of the state requires constant participation for it to be possible to attain unanimity where it is indispensible:

[Begin recording] [Unidentified correspondent] The guidelines for socioeconomic policy were discussed. What is your attitude to this document?

[Walesa] That is, there are many rationales, but we must make one rationale from these many rationales. And here the president, the government, and even society have a role. And it is good that there are many rationales, for then we will choose the best for Poland, and precisely this conversation servesd this end. [end recording]

Lech Walesa said that the aim of the government and of the president is the same but there are also various opinions, and that arguments will decide in agreeing a stand. The president said that differences of opinion among other things relate to the direction and speed of privatization and reprivatization. He admitted that in relation to the guidelines of socioeconomic policy certain victorious arguments are on his side and others on the side of the government:

[Begin recording] [Unidentified correspondent] What does the fact that the president participated in a meeting of the government Presidium today mean?

[Prime Minister Olszewski] It signifies that the president is taking advantage of his constitutional prerogatives, and has come for—I do not hide the fact—a very important meeting of the government Presidium, a meeting that is decisive for the final shape of the guidelines for socioeconomic policy in 1992. [end recording]

The prime minister said that the discussion with the president did not concern details, but took place at the level of socioeconomic philosophy:.

[Begin recording] [Unidentified correspondent] Is this philosophy of the government and the president convergent?

[Olszewski] Yes. That means perhaps we could, perhaps I would put it differently, as the make-up of the cabinet includes of course various standpoints, so the stand of the president was convergent with certain orientations that became apparent in the course of this discussion. Well, it was in contradiction to others, but this did not coincide with any concrete balance of forces. [end recording]

On privatization, the prime minister said that there exist certain differences of opinion. There is, on the other hand, full agreement that reprivatization should ensue first, with the aim of clearing the way for privatization. The draft guidelines for socioeconomic policy for this

year are to be confirmed by the Council of Ministers tomorrow. According to the prime minister, they will reach the Sejm on the day after tomorrow.

Olszewski, Center Alliance Leader on Reconstruction

LD1402103692 Warsaw Radio Warszawa Network in Polish 0600 GMT 13 Feb 92

[Text] Prime Minister Jan Olszewski authorized brothers Lech and Jaroslaw Kaczynski to hold talks on reconstructing the government. This reconstruction is necessary if the government wants to emerge from the budget debate safely, NOWY SWIAT reports, citing unidentified sources. The talks will mainly be conducted with politicians from the Democratic Union. These were the main decisions reached at the prime minister's meeting with Jaroslaw Kaczynski, leader of the Center Alliance [PC], on 8 and 11 February. Jaroslaw Kaczynski told NOWY SWIAT that the talks addressed the general situation and the PC's position in the government.

Gugulski Says No Talks Held

LD1402202792 Warsaw TVP Television Network in Polish 1830 GMT 14 Feb 92

[Text] Government spokesman Marcin Gugulski has corroborated the statement he made yesterday that no talks have been or are being conducted within the framework of the government coalition on reorganizing the government. The spokesman added that no one has received authorization to hold such talks.

Legislative Group Wants To Recall Gugulski

LD1402134492 Warsaw Radio Warszawa Network in Polish 2300 GMT 13 Feb 92

[Text] Prime Minister Jan Olszewski yesterday authorized Jaroslaw and Lech Kaczynski to hold talks on the Democratic Union's [UD] entry into the government. The Center Alliance [PC] parliamentary floor group issued a statement on this late last night. The floor group also directed a resolution to the prime minister on recalling Marcin Gugulski from the post of government spokesman due to his statement yesterday denying (?such authorization). The PC parliamentary floor group further stated that on 12 February the text of a proposal to the UD was drafted and a conversation on this subject conducted with Chairman Tadeusz Mazowiecki. That same day, talks also took place within the framework of the government coalition on the subject of the government's reconstruction, with the participation of the PC and Christian National Union Presidia and the PC and Polish Peasant Party chairmen. The PC parliamentary floor group confirms its will to act to help expand the political base, leading to the government's further stabilization during the dramatic period which Poland finds herself in, we read in the statement.

Parys Sees No Place for Democratic Union Members

LD1302192992 Warsaw TVP Television Network in Polish 1830 GMT 13 Feb 92

[Text] According to Defense Minister Jan Parys, there is no place in his ministry for politicians such as former Deputy Ministers Bronislaw Komorowski and Janusz Onyszkiewicz, who have been associated with the Democratic Union. Romuald Szeremietiew, newly appointed deputy minster, meets the conditions of being nonpolitical as he renounced his membership of the Polish Independent Party.

Olszewski News Conference Describes Jobs Fulfilled

LD1702180392 Warsaw Radio Warszawa Network in Polish 1430 GMT 17 Feb 92

[News conference given by Prime Minister Jan Olszewski; Minister Jerzy Eysymontt, head of the Central Planning Office; and Tomasz Gruszecki, minister for ownership transformations, on 17 February; place not given—recorded]

[Text] [Olszewski] Good day, ladies and gentlemen. Seven weeks is precisely, almost precisely, 50 days, 50 days in office, 50 days of work of this government. Meeting with you on this occasion I can say with satisfaction that we have fulfilled our promises, that we will at this time present the two basic documents for the work of the government.

First, the report presenting the condition of the state at the moment of taking over office by this cabinet. This was a very important matter for us, although I do not hide the fact that from a certain historic point of view, delayed. I judge that such a document ought to have arisen at the turn of 1989 and 1990, and then we would have had much greater clarity as to who bears responsibility, to what degree, for all the difficulties, and for the condition of the economy of the state as it presents itself at the moment. We feel that it is our responsibility as the government to present such a document, in our name and at our own responsibility. This document was passed to you today, but it is of course as if a review of that which we found.

Our meeting today is associated with something else; it is associated with the draft guideliens for socioeconomic policy for the year 1992, prepared by the governmet and sent to the Sejm and the Senate the day before yesterday, on Saturday [15 February]. This is a document that will be fundamental for the activities of the government. It is, I do not hide the fact, based on significant corrections to the line hitherto of socioeconomic policy, although I must say straight away that at the plane of the philosophy of the changes, lets call it, it completely maintains the line hitherto. All speculations on this subject, preceding publishing of this document, if you will read well into this text, must simply not become relevant to any reality. We declare firmly, and this declaration is expressed in a concrete way in the presented program.

We will be striving for the fastest possible changes, which will aim at the establishment in Poland, in the Polish economy, of the economic free market principles. We shall strive to maintain all the accomplishments and achievements which in the past two years were possible to achieve, and about which, I hope, a carefully prepared catalogue is included in the introduction to the report on the state of the country at the turn of 1991-92. But simultaneously, we introduce into the hitherto direction of the socioeconomic policy, if we can talk of such direction, conscious direction, we introduce important corrections. The assumption that by putting into motion the spontaneous market mechanism the remains of the economy of the old totalitarian system could be cleared in a very short time, and that it is possible to pass, as it was once called, on the principle of a famous leap, to the free market, did not come true. This simply did not happen, and we must draw conclusions from that. We have very little room for maneuver at the moment, ladies and gentlemen, because certain economic factors determine the capabilities of this government. They determine the chances and the scope of changes. The basic principle which we accept is stopping the recession.

The basic assumption we accept is the one to halt the recession, to halt it within this year, and to lead the economy [words indistinct] in it mechanisms for development in the following years.

This document refers, first and foremost, to the year 1992. This ensues from legal requirements; as a government we are bound to present to the Sejm the assumptions of the socioeconomic policy for the year 1992. But as you may have guessed from reading it, this document shows that at least in some sectional solutions we are drawing much broader prospects, reaching the years to come. It is the government's intention to prepare a plan that will reach the year 1995, and which will define a direction and a method of changes. As I have just said, simply because of legal requirements the document we have presented to you today refers first and foremost to the year 1992.

It is going to be a very difficult year, first and foremost, because now that we are beginnig to implement this plan, the state of public finances, or even broader, the state of the country, is in a very serious crisis. In connection with this, one of the fundamental assumptions we adopted in this plan, and which will be reflected in the state budget, is the creation of a protected zone, the protected zone—this time it will not refer to... [changes thought] as it usually is associated with the (?sphere) of poverty, and in this case it really is connected with the (?sphere) of poverty, but a very particular one.

Well, at the moment, the fundamental branches of the state apparatus and its fundamental functions are in such a sphere of poverty. At the moment we are in such a situation, whereby, practically speaking, administration of justice cannot function properly, there are great difficulties in the functioning of the police, law and order services, we have trouble with the normal fuctioning of the state administration apparatus, there are deficiencies in the foreign service, and all this is caused simply by the financial crisis, the budget crisis.

The state is in fact—to assess it in terms of the situation as it is sketched out in these sectors—as if in a state of collapse. And this matter must be and will be resolved. These spheres will in the future budget be subsumed under the principle of particular protection, because the functions of the state must be retained and restored.

Ladies and gentlemen, in the sphere of economic activities, the stress falls above all on certain stimulatory activities, but they will this year still only be able to be continued on a limited scale, simply because of the fact that we cannot allow a break-down to take place in those sectors that are exceptionally important for us from the point of view of long-term strategy. That is why, in these sectors, as I say, the changes will be continued with a certain care, and it could be that for many milieux, for many social groups, they will even bring a certain disappointment. But I woud like to stress that these matters must be viewed, must be viewed over a time frame of not just these nine months, but across the time span of the coming three years to the start of 1995.

And finally, ladies and gentlemen, the matter of structural transformations, transformations in the areas of ownership relations in the economy.

This is, rather, the outline of our program, the strategy for privatization. It is sketched out, and specified in a new way. The year 1992 will be a preparatory stage, although already at this time we will be continuing, and will not slow down, privatization activities in the economy, but the fundamental shaping of this model will bear fruit only in the next years. And in this regard we have a—also quantitatively specified—threshold that ought to lead to a situation wherein around the year 1995 we will have to deal with the privatization of around 50 percent of the national economy, which will create a completely new quality in our economic model.

Ladies and gentlemen, as our time is limited and I have in any case spoken a bit too long for an introduction, in the light of this I hand over to Minister Eysymontt, who will familiarize you, or rather comment briefly on the documents you have received.

[Eysymontt] We are seeking to create a climate for investors. This is an absolutely necessary condition so as to be able to think of exiting from recession, to be able to think that after this especially difficult year that awaits us we have an opportunity to enter the path of growth in the coming years. This is one of the leitmotivs that lit our way in the construction of this program, the more so as we must be aware that for at least three years now investments in Poland have been constantly falling.

Ladies and gentlemen, although this might sound incredible to many, real consumption last year nonetheless rose. The second matter is exports. We have no intention of shutting off our economy; this is altogether a matter

that is unimplementable, and would in addition be a step that is false. But in a situation where we our opening our economy, when we have an exchageable currency, and where we are a country of the size that we are and in this part of the world, then the only, obvious direction of expansion is exports. It must be said that in fact the Polish economy already has relatively large attainments in this sector. For, when the net created product falls, when investments fall, then exports nonetheless rise, especially hard currency exports, and this is the tendency which we must maintain. That is why we are decided on the aggressive promotion of exports. So, all the concentration of all the elements of the economic policy of the state will be in this direction.

It is clear that we will not be capable of giving too much this year, because there quite simply isn't anything to take from. The state today can give only from its own pocket; it can give from a budget that is very sparse, for if we, for instance, speak of credit guarantees, this also hides an at least potential burden on the budget, hides the fact that the state guarantees concretely, and not just verbally, the implementation of some credit. If we speak of tax reliefs, then we must remember that any relief means the lowering of budget income. So, this decrease is for today, but the hope is for an increase at some time, for the budget can only develop when economic activity develops, and if its scale grows, and does not fall, as hitherto.

But on the other hand, every loss in such a situation where we must have a budget deficit of a scale of around 5 percent of net created product, this is already this threshold of risk, and for many it could perhaps be the crossing of this threshold. We must therefore maintain very great care, although in many commentaries we are accused of irresponsibility in our ideas.

So the tax policy that we can apply has exceptionally little field for maneuver, especially this year. After all, someone who struggles with recession ought not to increase the degree of taxation. But such a state that in turn has a great hole in its budget ought to seek all possible resources for filling this hole. What could we propose in this situation?

We propose a certain maneuver in taxation policy; a limited one, but we are to move in the direction, in general terms, of the increase of the role and of the the degree of indirect taxes, and of, for the time being, a careful, but nonetheless, limitation of tax on incomes, that tax which most impoverishes the accumulated resources of enterprises, and so is as if the most competitive in relation to developmental and investment activities. [sentence as heard] I stress once more, this maneuver is, this year, not great, but (?here) is proof of the fact that these proposals—for instance, reducing dividends already this year—often meet with criticism and unjustified reservations that this might impoverish budget incomes too much. Nonetheless we must go for this risk. We are convinced that if this policy has successes, if we succeed this year in stopping recession—I do not claim to overcome it completely in terms of entering the path of growth—but stopping recession, above all in the state sector, and so the creation of hope for an increase in budget expenditures, then in the coming, next two years, in general, the average degree of taxation will fall, and we will seek a situation in which we will be able to carefully, but successively lower it.

But here is the next condition, a limiting condition, as we would put it in the categories of mathematical programming, if we take the struggle with recession as the [word indistinct] (?aim). This is undoubtedly the great danger of the return of inflation, and if someone prefers strong words, hyper-inflation. And in this case there are no differences within the government, and as I judge it,there are no differences between most of the experts. Allowing hyper-inflation would negate all antirecessionary activities, especially in the long-term, and we are fully aware of this.

So, ladies and gentlemen, our choice is a choice that is unfortunately very narrow, and in addition, de facto, very unpopular for society. For that which we can responsibly propose is the growth of investments, the growth of savings, but also, in the best case, the defense of the level of real consumption.

I, ladies and gentlemen, with all responsibility, and as an economist, will say that in the coming three years I do not see the possibility of a significant increase of real consumption. I do not see it. Quite simply, if our economic policy were to go in that direction, then I judge that neither a lasting overcoming of recession nor the maintenance of stabilization would be possible. This is a bitter, unpleasant and unpopular truth. But I think it is the duty of this government to tell people that truth. Thus the tax policy which we are proposing, the maintaining and modification of the rigors of special taxes holding down pay increases, and thus a policy which is unfortunately going to maintain the unfavorable relation between pay in the so-called budget sector and pay in the material production sphere is certainly not going to be popular, but I am convinced it is an essential policy. That policy must be a policy of concentration. As I have told you about the concentration on exports, concentration on investments, it must also be in some kind of sense a policy of concentration on the safety net. If we as a state, unfortunately a poor state—perhaps Poland taken as a whole is a rich country—but that is more in a poetical figure of speech [sentence as heard]. Our level of national income, of global production, of products [word indistinct] per head even if we are [words indistinct] $3,000, it unfortunately puts us in the sphere of countries which are not rich. That is a truth, which no demagogic statements about us being a rich country can change. If we want to be a rich country in several years we must also be aware of the fact that we are a poor country today.

And one more truth which is not very popular. Ladies and gentlemen, many people have very difficult lives in Poland. I am deeply convinced that a great number of

people work honestly and hard and earn relatively little. But at the same time, if we take our pay in dollars, it has to be said that even if the growth of the purchasing power and pay is not in proportion to their dollar-zloty, in relation to other currencies of countries neighboring Poland, but in recent years the growth of our dollar earnings is visible, but there is also another side to the coin—unfortunately, productivity in Poland is continually falling. [sentence as heard]

And here, statistics on this are cruel and, unfortunately, unshakeable. It is sure that if a trend, a tendency of the falling productivity remains, then no economic boom on a larger scale is possible. And we, the government, our partners from the trade unions, and all Polish people must be aware of that.

It is, again, the average, and the average is only half a truth. But something makes up this average. Because, somewhere else, many states can be pointed to where productivity is constantly increasing, or at least stays at a high level. These are the matters in which we simply do not have a choice, simply because of the fact that we want, as it is said in everyday language, to be better off after these three years.

So, ladies and gentlemen, what we have got to offer as regards welfare protection, if it is for example related to unemployment, already emphasized, which certainly is a less painful phenomenon, then we can only suggest concentration. Yes. The concentration which means a concentration of actions where this phenomenon is really acute.

Ladies and gentlemen, I do not believe in unemployment in Warsaw. I do not believe, not because the figures are as such, but I do not believe because there are thousands of examples how extremely difficult it is to find someone who would want to take work—maybe not brilliant work but earning wages— in Warsaw. But even if we only restrict ourselves to numbers, and if we say that this average is on the level of 10-11 per cent, there are regions in Poland where this average exceeds 20 percent.

If we are to act effectively we have to first concentrate on these regions. Second, however we will call it special economic spheres, spheres of special danger [words indistinct].

The second matter is concentration of resources. The concentration of small resources, because if they are dispersed they will be even less effective. So far we do not have a lot of success in this sphere. As regards expenditures on these welfare entitlements—and these are at least three groups that are financed practically solely from the budget—these are pensions and annuity entitlements that are rising sharply; these are entitlements, that is the financing of the health service and the financing of education. We quite simply must find such solutions that will limit these expenditures, limit them. Of course, this does not mean that they ought to be limited over and beyond some sensible threshold of not just tolerance but, I would say, unique decency. Only the matter is based on the fact that if the state is to really guarantee something it must guarantee it within the borders of its budgetary capability. Otherwise, all these guarantees will be solely paper guarantees, and these entries on these matters that you will find in our documents that are, as I say, surely unpopular, go more or less, go mainly, in this direction, that is, of a concrete solution, for instance on the matter of pensions and annuity insurance.

Or a new solution—they are fairly advanced, there are drafts [word indistinct] that will be presented, but in general terms the state budget cannot increase expenditures in this regard. For this is also one of these elementary conditions for the maintenance of stabilization. If we suceed in this, then reasonably correct, professional simulations indicate that in the coming years, 1993-94, we can attain limited but already perceptible, economic growth in the bounds of two, perhaps two-and-a-half percent per annum. We can stop the growth of unemployment at a level not higher than this year, although it will surely be greater than last year. We can maintain inflation on a falling trend, so that in 1993 we can come closer to, I repeat come closer to, this miraculous threshold of which we constantly speak—single-figure inflation. And we can, finally, have the hope that the budget deficit will be smaller every year, relatively smaller—this is the essential condition.

This is the sort of program that we wish to implement. As regards its fairly fundamental systemic backbone, or the structural one, then Minister Gruszecki will speak on that. I want just to add that our government does not intend to depart from privatization, does not intend to depart from the creation of this sector as the main economic base in a few years time. If it wants to do something like this, then in my opinion it would be a suicidal government. Thank you.

[Gruszecki] Good day. As you have received, together with the materials about the government program, a separate insert about the privatization program for 1992, with a draft of the components of reprivatization and universal privatization, and thus those areas where a longer-time perspective is involved, I will just concentrate on indicating in a few points those elements where I can talk of a new approach, for of course, to great extent this will be a continuation as regards actions and privatization transactions. The first such new element is the fact that the privatization program is constructed, and such is the will of the government, as an integral component of the economic program. In other words, an end to the fact that there is some autonomous program of privatization, autonomous organizational structures and standing apart from that a government that directs the economy. Strictly speaking, the privatization program ought to be born as a result of the government's economic program. This is not any autonomous sphere. Further, we intend to attain the result which Minister Eysymontt mentioned earlier by the end of the year 1994, but I do not want to speak about the mechanical acceleration of transactions.

The point is to ensure that a really wide river of privatization will be able to flow, not through the mechanical acceleration of the signing of transactions, but through such a construction of organizational structures and procedures as will secure on the one part the association of the privatization program and the decisions associated with the government's economic program, and simultaneously to assure clarity; this is the ideal of a transparent privatization. Of course, where large transactions are involved, especially with foreign investors, economic confidentionality will always be maintained in the course of negotiations, but the point is that the most important decisions nonetheless, first on the qualification for privatization of large enterprises, then as regards the road altogether, the results, the boundary conditions, these things, to say nothing of the signed agreement, these things must be subject to inspection by society. And so they will be.

A few days ago, the Sejm Commission discussed precisely—how to put this—this final state before, in the negotiations, yes, before the signing of the agreement between the Small Car Factory [FSM] and Fiat. And there will be ever more of such, precisely, to put it thus, points at which it is checked whether there is political permission for such resolutions, and not others.

Third, to finally lance this awful boil of demands. We intend, and very quickly—the deadline is exceptionally ambitious—to come out with a law on reprivatization. I have even undertaken that the draft of such a law that is also to resolve not only the demand side, but also the supply side, namely from what, from which assets recompensation will be paid, that this draft will have been adopted by the government by the end of the first quarter.

Fourth, an entire array, an entire package of changes in the laws, not just in the privatization law, is prepared, is being prepared, and this is also a matter that is of the, lets say, turn of the first and second quarter, when the appropriate revision proposals will be received at the Sejm. The point is to remove bottlenecks.

Fifth, we are continuing and widening the program of universal privatization that was conceptually prepared, as you know, in 1991. I am a great fan of this program. My concern is only the fact that this first tranche of enterprises is rather too small, relative to the guidelines. I wish to stress with full force, contrary to various commentaries and even sometimes insinuations of the press, that the government maintains an unfading interest in investors of foreign capital where only foreign capital can bring the resources for great investments, can open markets for sale, can bring the experience in management, which we so very much lack. But let us not delude ourselves—not a dozen or so, not even several dozen great transactions with concerns can extract our economy. This must be a huge, enormous mass of medium, small and medium enterprises. Home investors must be convinced to invest. They must be given certain guarantees of security, of stability.

Of course, the government cannot guarantee that the exchange rate or the interest rate will not change. But what can and ought it to guarantee? It ought to guarantee a stable legal environment. And so it is necessary to significantly simplify (?it), also [word indistinct] those regulations, and the extant jungle of legal regulations that mean that entry and then continuation is so very difficult. Privatization must enter [words indistinct] commercialization. It must, finally, enter the budgetary sphere, for we will not be able to bear such obligations financing them solely from the budget, as hitherto.

I am thinking in the first instance of the health service, about certain of its aspects, and also of certain aspects of the [word indistinct]. This is very difficult, but the government will undertake steps in this direction so as to create the legal and organizational basis for commercialization in the budgetary sphere. On the other hand, a separate question on which the government is working is the preparation of the plan putting in order ownership relations in the state sector—this was announced by the premier—so that it will be clear who the owner is, and where, and who bears responsibility for managing state property when it is in the hands of the state, for this responsibility cannot be taken off our backs. But we will be speaking about this soon.

Finance Minister Lutkowski Submits Resignation

LD1702103692 Warsaw Radio Warszawa Network in Polish 1000 GMT 17 Feb 92

[Text] This morning Finance Minister Karol Lutkowski sent a letter to the (?head) of the Council of Ministers with a request that he be recalled from the post of finance minister. Minister Lutkowski let it be known that one of the reasons of his decision was the accumulating awareness of essential differences between him and a group of authoritative personalities in the economic and political life in Poland (?concerning) priorities and the way social and economic policies are being implemented.

Kaczynski Seeks Cooperation With Democratic Union

AU1302152592 Warsaw ZYCIE WARSZAWY in Polish 11 Feb 92 p 2

['IGO, POZ' report: "Expanding the Coalition Government: Kaczynski Proposes the Democratic Union"]

[Text] On 7 February, Jaroslaw Kaczynski, chairman of the Center Accord, proposed expanding the coalition government to include the Democratic Union. At a meeting with the Center Accord Voivodship Administration in Lublin, Kaczynski suggested appointing two Democratic Union members to the government. Tadeusz Mazowiecki would be made deputy prime minister and one of the economic departments would also be entrusted to a member of that party.

According to a politician belonging to one of the groupings in the governing coalition and associated with

Prime Minister Olszewski, Kaczynski acted on his own. On 8 February, the Center Accord leader met the prime minister. Olszewski did not discourage him from holding talks with the Democratic Union, but, at the same time, did not authorize him to issue any statements.

On 9 February, following a meeting with representatives of the Democratic Union and the Liberal-Democratic Congress, Jaroslaw Kaczynski announced that the government's political base would be expanded to include these parties. Kaczynski's initiative is being interpreted as a challenge to the "Christian-peasant" coalition being proposed by Prime Minister Olszewski, a coalition that would include the Christian National Union, the Center Accord, the "Solidarity" Polish Peasant Party, Rural "Solidarity," Christian democrat parties, and possibly the Polish Peasant Party.

Democratic Union leaders have described the decision as "interesting." On the other hand, they view the "Christian-peasant coalition" with skepticism. This is also true of the leaders of the Democratic Right Faction, which would be welcomed as a member of the "Christian-peasant movement."

Sejm Elects Kaczynski as Chairman of NIK

LD1402221292 Warsaw Radio Warszawa Network in Polish 2000 GMT 14 Feb 92

[Report from the Sejm by parliamentary correspondent]

[Excerpts] Welcome once again to the Sejm. A dozen or so minutes ago today's debates ended. [passage omitted] The fourth round of voting on candidates to the post of chairman of the Supreme Chamber of Control [NIK] has finally ended in success. A total of 357 deputies took part in the voting; there was one invalid vote; the [necessary] absolute majority was 179 votes. Lech Kaczynski obtained 213 votes.

Council of Ministers Accepts Social, Economic Plan

LD1402232392 Warsaw TVP Television Network in Polish 2200 GMT 14 Feb 92

[Text] At an extraordinary Friday [14 February] meeting, the Council of Ministers accepted the final arrangement of the socioeconomic policy assumptions for 1992, according to the government press office. The document accepted by the government, which will be presented to the Sejm on Saturday [15 February], will constitute the basis for the construction of this year's state budget. The public presentation of these assumptions at a news conference with the participation of Prime Minister Jan Olszewski has been scheduled for this Monday, 17 February.

Government Draft Economic Program Outlined

AU1402091692 Warsaw ZYCIE WARSZAWY in Polish 11 Feb 92 p 2

['POK' report: "The Key Is Stimulating the Economy"]

[Text] The government has been working on its socioeconomic program for the past six weeks. The program will aim to check the recession, stimulate the economy, and revive economic growth. The state is to intervene in those areas in which market changes will cause social conflicts. The program also mentions curbing inflation.

The projections made for this year indicate that halting the recession will require an increase in investment, which would be a priority for the years 1992-94 along with boosting exports and better use of factors of production. There have to be changes in the following policy areas: the money supply, taxation, the budget, incomes, prices, and investment. Recent statements made by representatives of the government indicate that the following would be the key elements of state economic policy:

Taxation policy— from January of this year, physical and legal persons will be obliged to pay income tax. Income tax rates for physical persons would not change until 1994, whereas as rates for legal persons would be gradually reduced (from 40 percent this year to 35 percent in 1993 and to 30 percent in 1994).

There is also a proposal to introduce tax concessions in the middle of the year for enterprises that undertake activities in regions that have been particularly affected by unemployment.

In addition, there are also plans to refund sales tax payments to exporters and to refund other taxes on goods services to exporters next year (probably with the exception of exporters of scarce resources). Some goods—mainly those for which the state monopoly on trade will be restored—will be subject to excise duty. It is also possible that suggestions to introduce a higher rate of sales tax on luxury goods will be followed.

Much is being said about reducing the dividend levy. Over the next few years, the number of enterprises liable for this tax would be reduced. On the other hand, there are fewer and fewer arguments for abolishing the tax on supernumerary pay awards—reducing inflation continues to remain important. However, it is being proposed that the level of the tax should be reduced over the next two years. It is envisaged that a concessionary rate of the tax will be introduced for exporters as boosting exports is one strategic policy objective.

Inducements to restructure enterprise debts and to support or even arrange debt restructuring schemes are envisaged;

Incomes—the general trend will be to reduce the linkage between wage hikes and the inflation rate and make wages more dependent on productivity. It is, however, difficult to talk about specific measures, because various possible solutions are under consideration. Changes will probably be introduced to the principles for setting public sector wages;

Prices—there are no plans to raise official prices (of, for examples, sources of energy);

State budget policy—on the one hand, there is a need for more discipline to be introduced into expenditure and on the other hand, steps have to be taken to ensure stable budget revenue. To this end, it is being proposed that revenue from direct taxes (for example, income tax) should be gradually be replaced by revenue generated by indirect taxes (for example, sales taxes), which are influenced by economic fluctuations;

It is unlikely that budget expenditure will be further reduced. The budgetary imbalance is expected to decline as the recession is reversed. This year's budget deficit will probably be of the order of 5.6 to 6 percent of the gross domestic product;

Money—it is envisaged that inflation will fall compared to last year. Various figures are cited, 35 to 45 percent and 25 to 28 percent. In the light of this, the discount rate will probably drop, which should stimulate the economy.

Curbing inflation and halting the recession are to be possible thanks to fiscal stringency, which should prevent an excessive increase in consumption;

Cooperation with other countries—exports are to be the main factor promoting economic growth. In view of the budget deficit, there is practically no possibility of promoting exports using budget funds. Thus, policies on taxation and tariffs provide the main means of promoting exports. In other words, enterprises that export can count on more preferential conditions and concessions than other enterprises

The possible selective abolition of tariffs and tighter border health and antidumping controls on imports are being proposed.

Policy with respect to foreign capital would favor large investors who wish to invest in areas that require modern technology.

Macroeconomic policy—the main objective has been frequently emphasized—"antirecessionary" measures. The means are wellknown: protecting enterprise profits, promoting exports, aiding investment by lowering interest rates.

Solidarity Rejects Strike Over Energy Prices

AU1402132392 Warsaw ZYCIE WARSZAWY in Polish 12 Feb 92 pp 1, 2

[Piotr Adamowicz report: "There Will Be No General Strike"]

[Text] After seven hours of discussion, the Solidarity National Commission meeting in Gdansk yesterday [11 February] decided not to call a general strike after the collapse of talks with the government on the subject of the energy price increases. The union will now hold talks with the government on the subject of the government's socioeconomic program.

Before the meeting, Solidarity Chairman M. Krzaklewski had telephoned Prime Minister Jan Olszewski and expressed, as he described to ZYCIE, "regret over the absence of a clear government stance when rejecting yet another set of Solidarity proposals. I told the prime minister that if he possesses any good will, we certainly did not detect it among the group of government negotiators." As a result of this conversation, the prime minister drafted a letter to Krzaklewski which was faxed to Gdansk and arrived at 1630, while the Solidarity meeting was under way.

The prime minister said in the letter: "I hereby express my desire to continue talks between the government and Solidarity, despite the difficulties." The prime minister promised that the government would present principles of socioeconomic policy within five days, these principles forming a "framework for talks." The prime minister suggested a "debate on the subject of suitable components of the draft budget." He said that "within this framework it will also be possible to tackle anew the problem of hot water and heating."

Olszewski's letter was not the climax of the meeting. Even though Chairman Krzaklewski described the outcome of the talks on the energy prices as hopeless, not a single clear demand for a general strike was voiced during the meeting.

"The union has found itself in a classic negotiation deadlock because the government made it quite clear it would not back down from the energy price increases because these are part of the provisional budget," said M. Kaminski, chief of the Solidarity Mazowsze branch. "The Finance Ministry said these prices increases were out of the question." Nevertheless, Solidarity concluded that a general strike would "upset the political situation and create anarchy in social life."

Describing the talks with the government, Solidarity Chairman Krzaklewski revealed that the government had agreed with Solidarity's calculations showing hat the energy price increases would bring the budget about Z20 trillion zlotys, and not the Z1.5 trillion officially announced. It is society that is mainly affected by these increases, not enterprises, some of which are in arrears with the payments of their bills in any case.

Finally, the National Commission criticized the government, with its "method of holding talks that do not permit any alternative scenarios." Nevertheless, the commission said it would hold talks with the government on the subject of the socioeconomic plan, during which talks it will express its disapproval of the policies of previous governments. It will demand activity to counter the recession. It will not accept any further financial cuts in the social policy sphere.

"If the government's socioeconomic policy provisions fail to contain antirecession activity and the program becomes a mere continuation of the Balcerowicz plan, then a general strike is inevitable," said the chief of the Solidarity Mazowsze branch. "Perhaps a general strike might not be such a bad thing for the country because it would put a stop to the growing anarchy."

Solidarity Negotiators Attack Government Policy

LD1402165792 Warsaw PAP in English 2232 GMT 13 Feb 92

[Text] Warsaw, Feb. 13—A team of solidarity negotiators claimed that government socioeconomic policy did not match its monetary policy, and that the credit policy was a continuation of those of the previous two governments.

The criticisms were levelled after Thursdays [13 February] talks with government representatives at the Central Office of Planning [CUP].

The chief negotiator on the union side, Andrzej Wieczorek told PAP that Solidarity had only received a CUP document dated February 3 at the meeting. He noted that the document contained nothing about the privatization programme and very little about social security. He added that the union did not intend to concentrate on an incomplete document which might have a completely different final form.

The leader of the government team, Minister Halina Wasile from CUP, said that the differences of opinion among the members of the government would serve the working out of a compromise. CUP and the National Bank of Poland speak with various words about the same matter. She added that the policy of the bank was independent of the government, since the NBP came under the Sejm (lowe house).

The talks had an informational character and will be continued next Thursday [20 February] after the final verions of the socioeconomic policy has been presented to the Sejm.

Center Alliance Hopes for Talks With Democratic Union

LD1302170292 Warsaw PAP in English 2213 GMT 12 Feb 92

[Text] Warsaw, Feb. 12—The Centre Alliance (PC) deems it possible to hold talks with the Polish Peasant Party (PSL) but now the main effort "should be made to hold talks with the Democratic Union (UD)," chairman of the PC parliamentary floor group Sejm Deputy Marek Dziubek said Wednesday [12 February].

Dziubek made the statement after a meeting of the PC parliamentary floor group at which the debaters reviewed the "possibilities to guarantee stable parliamentary majority for the government and the PC efforts to build more stable coalition.,

"We discussed a cautious stand of the UD that raised some objections to entering the coalition. We think that parliamentary majority, guaranteed when forming the government, is unstable and all efforts should be made to broaden this parliamentary base", Deputy Dziubek said.

Center Alliance Leaders Want Government Reshuffle

LD1402162292 Warsaw PAP in English 1119 GMT 14 Feb 92

[Text] Warsaw, Feb. 14—"The leaders of Centre Alliance (PC) have a feeling they were misled again," said Jaroslaw Kaczynski commenting in the Friday [14 February] NOWY SWIAT daily on the PC's attempts to broaden the government coalition by including some Democratic Union (UD) members in the cabinet.

"It happened for the first time during formation of the government, but we are not going to give up. We want a reshuffle of the cabinet and not its fall, at a time when we could have been made responsible for its collapse," he said.

When commenting the government spokesman's statement that "the prime minister has not authorized anybody to hold talks on the inclusion of the UD in the cabinet, Jaroslaw Kaczynski reiterated his claim that Marcin Gugulski told untruth. When asked by a PAP correspondent about Lech Kaczynski's proposals to the Democratic Union to accept the posts of deputy prime minister and finance minister in Jan Olszewski's government, UD leader Tadeusz Mazowiecki confirmed the rumours.

He pointed out however that such a proposal may only be made by Olszewski himself. He termed the contradictory statements of the persons involved in the issue as "not serious." "My party is not knocking at the government's door and it is a misunderstanding to treat us as we were. Some personnel decisions taken by the government were hostile and all these developments can be called a "bad policy," Mazowiecki said.

Centre Alliance, PSL Solidarity Sign Agreement

LD1402212392 Warsaw PAP in English 1653 GMT 14 Feb 92

[Text] Warsaw, Feb. 14—The Centre Alliance (PC) and the Polish Peasant Party "Solidarity" (PSL "S") on Friday [14 February] signed an agreement on "organizational cooperation and on the federative charcter of parliamentary cooperation" between the two parties. The document was signed by Jaroslaw Kaczynski and Marek Dziubek of the PC and Jozef Slisz and Ireneusz Niewiarowski of the PSL "S".

Railmen Threaten Strike as Talks Fail

LD1702233192 Warsaw PAP in English 2233 GMT 17 Feb 92

[Text] Warsaw, Feb. 17—Next round of negotiations between the general management of the Polish state

railway enterprise (PKP) and the "Solidarity" union national section of railway workers ended Monday [17 February] in a failure.

The national section chairman Krzysztof Maminski told PAP that the agreement could not be reached due to the management intransigent attitude towards both the railway union and workers postulates concerning wages rise and renunciation of crew reduction plans.

On Tuesday [18 February], the negotiations participants are to meet with the dispute mediator Sejm deputy Krzysztof Tchorzewski and Transportation Minister Ewaryst Waligorski. If no agreement is reached, a two-hour warning strike is to be staged Wednesday [19 February] by railwaymen throughout the country.

Ukrainian Officials Meet Press on Relations, Arms

LD1402102392 Warsaw PAP in English 1310 GMT 13 Feb 92

[Text] Warsaw, Feb. 13—Chairman of the Foreign Affairs Commission at the Ukrainian Supreme Council, Dmitro Pavlychko told a news conference in Warsaw on Thursday [20 February] that Ukraine was eager to join the Warsaw-Prague-Budapest triangle. Thursday's press conference followed a three-day seminar on "Ukraine's Road to Europe," which covered the problems of security in Eastern and Central Europe. Asked about the date of the Ukrainian President Leonid Kravchuk's state visit to Poland Pavlychko said the end of February or beginning of March were being considered. Commenting on the state of Polish-Ukrainian relations he said that Ukraine warmly welcomed latest Russian initiative to set up its own armed forces, a clear sign of reforming the last mainstay of the collapsed empire. Ukraine opposed the plan to create a joint army and was in favour of setting up national armed forces, Pavlychko stressed.

Deputy chairman of an opposition party "Rukh" (Movement) Mykola Porovski briefed the newsmen on the plans of transforming Ukrainian arms-manufacturing plants into civilian factories. He estimated the costs of dismantling the Ukrainian nuclear arsenal at some 80 billion U.S. dollars and expressed hopes that the Western financial aid, earmarked for the purpose, will be granted directly to Kiev. He reaffirmed that the Ukraine intends to remove tactical nuclear weapons from its territory by the end of June, 1992. The dismantling of its strategic nuclear missiles will be completed by 1994.

Ukraine Relationship Not To Change Russian Ties

LD1302190292 Warsaw Radio Warszawa Network in Polish 0500 GMT 12 Feb 92

[Text] Friendly relations between Poland and Ukraine should not lower the chances for successful development in the relations between Poland and Russia, stated Bronislaw Geremek, chairman of the Sejm Foreign Affairs Commission, at a conference held in Jadwisin near Warsaw on the subject of the (?return road) of the Ukraine to Europe.

Ukraine Seen as 'Most Dangerous Neighbor'

LD1402175192 Warsaw PAP in English 1524 GMT 14 Feb 92

[Text] Warsaw, Feb. 14—Out of 1003 persons polled by the sociological centre in Sopot, northern Poland, on January 26, 38 per cent said the Ukraine was the most dangerous neighbour of Poland, GAZETA WYBORCZA reported on Friday [14 February]. According to 28 per cent Germany constituted the greatest threat for Poland, 16 per cent pointed to Russia and 17 saw no threat at all.

Some 40 per cent opined that the Soviet Union dissolution was unfavorable for Poland while 20 per cent expressed the contrary opinion.

In this connection 62 per cent of the polled thought there was a greater possibility of using nuclear weapons by the former Soviet republics now than before the collapse of the union while 30 per cent said the threat was neither graver nor lesser.

Asked about the future of the former Soviet Union, the majority (59 per cent) forecast revolution, riots, hunger and total chaos, 17 per cent forsaw never-ending wars among the republics, while 15 per cent opined they would turn into independent states. Only five per cent thought the republics would establish a community modelled on the United States pattern.

Spokesman Says No Plans To Take Over Kaliningrad

LD1402210392 Warsaw TVP Television Network in Polish 1830 GMT 14 Feb 92

[Text] FRANKFURTER ALLEGMEINE, reporting the visit of President Landsbergis to Germany, has reported that Poland and Lithuania are interested in taking over Kaliningrad, formerly known as Krolewiec. Foreign Ministry spokesman Grzegorz Dziemiedowicz said this is untrue. Poland recognizes the present borders in Europe as permanent and considers Kaliningrad as being under Russian sovereignty, the Foreign Ministry spokesman said.

Government Not To Pay for Ex-USSR Deliveries

LD1402180792 Warsaw PAP in English 1537 GMT 14 Feb 92

[Text] Warsaw, Feb, 14—Jerzy Kade, director of the Military Department at the Ministry of Trade and Industry, on Friday [14 February] said the government will not pay for the 1991 export production of the hydral aircraft plant of Wroclaw, southwestern Poland, contracted by the former Soviet Union. He added that the ministry appealed to the plant to stop their deliveries to Soviet partners who ceased to pay for them as early as the second quarter of last year. "The ministry will

continue to support the plant's efforts to regain their due payments from contractors from the former Soviet Union at the governmental level. Meanwhile, the plant should reduce its crew to a level corresponding to the orders" said the director.

After a month-long strike at the plant, the strike committee on Thursday in a statement addressed to the minister of trade expressed the opinion that the plant should receive from the government over 100 billion zlotys (8.7 million dollars) for products exported to the former Soviet Union in 1991.

The crew decided to continue a sit-in strike at the plant's management building.

Good Prospects Seen for Baltic Oil, Gas Firm

PM1402100792 Katowice TRYBUNA SLASKA in Polish 24 Jan 92 p 3

[Zenon Gralak article: "A Baltic Gusher?"]

[Text] Since 30 November 1990, the Petrobaltic Company—previously a joint venture of the former GDR, the former USSR, and Poland—has been operating as an exclusively Polish venture. The bulk of its assets—including the drilling rig, the towing vessels, other floating hardware, and the entire shore-based backup facilities—has been assigned to the Polish partner following lengthy negotiations. The Polish side also inherits the firm's best experts. The company's name has been changed to "Petrobaltic" Enterprise for Exploration and Extraction of Oil and Gas Deposits. However, the most pressing problem at the dawn of the company's new independent status was the lack of funds to finance exploration of the seabed for oil and gas fields.

Consequently, in order to find the necessary funds, Petrobaltic has turned its own wharf in the Gdansk port area into a small trading port offering a regular cargo transshipment service to its customers. One of Petrobaltic's massive dedicated towing vessels, the Granit, is permanently in operation in the North Sea, servicing the drilling platforms working in the area and making a fat profit in the process. The money goes into Petrobaltic's bank account. Everything indicates that the drilling rig itself—designed additionally to prospect for oil and gas deposits in the seabed—will soon begin operations in the service of foreign customers, too. Initial negotiations on this venture are already in progress, with Lithuanian and Latvian partners among other prospective customers. After one year, the advantage of this venture into contracted service work is evident: Petrobaltic is now in the black, with all all its debts cleared.

In addition, thanks to the profits from these extracurricular activities, the company has been able to finance its statutory operations and has carried out, at great cost, several successive exploratory drillings in the oil and gas fields whose presence was already established. The drillings completed the prospecting and exploratory work on the deposits and made it possible to move on to the actual stage of oil extraction from the Baltic seabed. Let us recall here that 14 exploratory boreholes drilled in Poland's Baltic zone before 1990 were all exceptionally well targeted. This refers particularly to boreholes drilled in the so-called Gdansk shelf situated several dozen miles north of Rozewie. Drillings in the area repeatedly yielded new discoveries of oil and gas deposits. Everything indicated that these will be suitable for industrial extraction.

Clearly, the site in question was most promising. It was established early on that it contained one oil field stretching over an area 10 km long and 3 km wide, and two more fields of similar size. Similar hopes were raised by the discovery of three gas deposits within the same site. Moreover, all the investigative analyses suggested that the richest of the discovered oil fields probably contained around 5 million tonnes of highest-grade paraffin-base, low-sufur-content and low-asphalt- content crude oil, constituting excellent raw material for the petrochemical and fuel manufacturing industries.

These facts alone suggest that, in addition to the annual production of some 130,000 tonnes of crude oil extracted from land deposits, the Baltic oil extraction venture should prove highly profitable. Poland's offshore Baltic deposits could yield about 500,000 tonnes of oil for many years to come, thus providing an excellent source from which to supplement our oil imports—the more so as the Baltic oil fields are situated at a distance of only 120 km from the Gdansk Refinery and the now-completed major storage facility for liquid fuels at Gdansk's Northern Port.

Moreover, initial exploration and analysis of the gas deposits discovered some 100 km offshore indicated that they were plentiful enough to satisfy the requirements of the entire Gdansk Voivodship for the next 25 years. In this case, too, Baltic gas has proved to be of the highest quality: sulfur-free and highly calorific. It will be carried directly from site to shore via a pipeline laid along the seabed, and then transferred directly to the shore-based distribution grid.

"We can start the oil extraction operations any time," director Jan Kurek told us, "and expect the company to make profits of the order of tens of millions of dollars.

"Can we start to extract gas, too? In the present economic situation we must concentrate on one task at a time. Consequently, we have given the question of the extraction of gas from the new deposits a lower priority status on our agenda. However, I am convinced that its time will come, too. On 10 January this year we became formal owners of the deposits discovered in our zone of the Baltic. This is to say, on that date we were issued with the license to extract the oil and gas deposits in the Gdansk Shelf, and in this way our operations in the area received an official seal of approval."

It should be added here that Petrobaltic is already engaged in intensive negotiations with experienced foreign partners who can assist the Gdansk company by supplying it with both capital and equipment. Upward of a dozen international oil companies—among them some of the world's best known names—are taking part in the talks. However, Petrobaltic intends to conduct the extracting operations themselves single-handedly. Consequently, its most important challenge of the moment is to accumulate sufficient funds to finance this major venture. Possible sources under consideration include subsidies from the state budget and foreign loans. It is hoped that the latter category will release some of the billions of dollars which are at present still locked in the fund allocated by Western countries for the development and reconstruction of the Polish economy.

"Provided that we are as successful at finding the money to finance the extraction as we were at finding the oil itself," director Jan Kurek says, "we should be pumping up our first barrelfuls within the next 16 months." The profits will take some time to materialize, but it is good to see such optimism.

Roman Endorses Social Democratic Model

PM1402163092 Oslo AFTENPOSTEN in Norwegian 13 Feb 92 p 13

[Report on interview with former Prime Minister Petre Roman by Aasmund Willersrud in Bucharest; date not given]

[Text] Petre Roman—toppled when the miners ran amok in September—is preparing his comeback. As prime minister or president. President Ion Iliescu's base is very narrow, Roman told AFTENPOSTEN. Roman wants to make Romania a democracy in accord with Western social democratic ideals.

The question of whether Roman will run against his bitter rival, Iliescu, in the presidential elections in June is one of the most delicate issues facing the headquarters of the National Salvation Front at present. Only a few weeks ago Roman was opposed to the idea. Now the former prime minister is keeping his options open. He confirmed this to AFTENPOSTEN in an interview in the party chairman's office in the large and elegant bourgeois villa which once helped to give Bucharest the label of the "Paris of the Balkans."

With so little time to go before the elections many Romanian observers fear that a strong personality able to challenge Iliescu will not surface—apart from Petre Roman, perhaps. "But he is too young and he lacks authority," Silviu Brucan, former communist leader and later Front leader has said. Roman's undisputed Latin charm does not make the same impression at home here in Romania as it does in the rest of the world. Nevertheless, what is it that prevents the 45-year-old from announcing his candidacy?

"I would hate to be accused of starting the whole of this conflict simply to be able to take over Iliescu's job. Those who are opposed to me would definitely make much of the point," he replied almost modestly. "I think that it is of the greatest importance in these critical times that Romanians are clear about why they are voting, what they are voting for, and finally who they are voting for. Since September last year this has been the goal of my political activity," Roman said.

The conflict between him and the president came to a head when miners from the Jiu valley marched on the government building last fall. Roman made no secret of the fact that he thought Iliescu had a major hand in it. Since then the Romanian press has christened the conflict between the two leading figures as "the War of the Roses," after the flower in the party symbol. Now he seems more relaxed when talking about Iliescu, but he hinted that he will try to prevent the Front from supporting him as presidential candidate. "As long as he supports and is supported by people who belong to the old regime, we do not need to support him. Formally, Iliescu is no longer a party politician.

"Iliescu has a very weak political and ideological base. This does not mean that he does not have a certain amount of support among the people, but the difference between us is that I do not believe that there is a middle way between a democratic system and communism. We have to get rid of all that remains of the communist system in Romania," Roman said.

His opponents do not neglect to remind people that he too was a communist at one time, brought up by the same nomenklatura, and even partly of Jewish descent like large sections of the old leadership of the Communist Party. When I asked him whether communism is still a significant political force in the National Salvation Front, he replied in the negative.

"No, the neocommunist mentality plays little role now. My contacts in the party organization throughout the country show that people no longer accept that system. There may be a few demagogues, but we can easily get rid of them from the party," Roman said. But what does he himself stand for?

"I am very close to, and I greatly admire the Western social democratic idea. In more than one sense it has a clear element of economic liberalism which proved to be very fruitful in countries which started off from the same base as us—Spain and Portugal." Roman admitted that he has gained great inspiration from out-and-out liberals like Milton Friedman, but when all is said and done we have to strive for social balance, he said.

Was this the message he was unable to put across to the miners? Was there perhaps a communication problem between the prime minister and the workers who set in motion the uprising in September, since "interim" Prime Minister Stolojan seems to be winning widespread understanding for the same market reforms which Roman started?

"No, we had a clear agreement with their trade unions. It was not economic demands which drove them here, but political demands on behalf of those who drove them here." Roman did not name any names, but stuck to the conspiracy theory. Of his successor's policies he said that they are being accepted for the time being, even though the people are experiencing difficulties. "This is a good thing, but we also see that the government's hands are tied in many ways, and that is dangerous. If we do not have some positive results soon, it could turn out that what we take to be support is simply apathy. That is a real danger, and this problem can only be solved by new parliamentary elections. A strong government with a clear reform program is what Romania needs."

Petre Roman considers that he is now in a position to offer this. Since he resigned last year he has used the time to fine-tune his policies, and he said that he has done so in a more results-oriented, less centralist way. The problem for him as a possible candidate for the post of prime minister in the elections in April or May is that sections of the so-called democratic opposition are beginning to enjoy growing support for policies which

are very close to Roman's. This has led to speculation that the National Salvation Front leader is thinking about changing party, or splitting the Front. But no. "My goal is to keep the Front whole and united," he said. The party congress will decide next month whether he will become a candidate for the post of prime minister. This decision will also be influenced by what he decides on the question of the presidential elections immediately afterwards.

Roman on FSN Decline in Election Returns

AU1402141592 Bucharest ROMPRES in English 1338 GMT 14 Feb 92

[Text] Bucharest ROMPRES 14/2/1992—The National Salvation Front [FSN] has secured almost 45 percent of the votes all over Romania after the first ballot, said FSN leader Petre Roman in a statement for FRANCE PRESS, quoted by ROMPRES.

"It is a good and normal result," Mr. Roman said, estimating that, if his party would be able to draw to the polls part of the almost 40 percent of by-standers in the first ballot, the FSN candidate "had chances" to win.

The former premier explained the FSN's decline (after the two-thirds obtained in the 20 May 1990 elections) by the "erosion of power," a "state of apathy, a certain disappointment of the electorate" and by "the Front's insufficiently focused political message."

For the second round of local election, the FSN proposed alliance to the Ecologist Movement (MER) and in Transylvania to the Romanians' National Unity Party (PUNR). "However," the ex-premier said, "in the next general elections planned for May this year, I think the Front could face the poll on its own, like before."

Believes Runoff To Win More Votes

AU1702190292 Bucharest ROMPRES in English 1708 GMT 17 Feb 92

[Text] Bucharest ROMPRES, 17/2/1992—"Our strategy for the second round of local elections can only be a strategy for winning," stated Petre Roman, the National Leader of the National Salvation Front [FSN] in a news conference held on February 17, in Bucharest.

In opening the news conference, he announced that, according to the returns of so far, the FSN aggregated a big percentage—55 percent— regarding the already elected mayors. As for the councillors, the situation is as follows: 15,600, meaning 41 percent for the FSN, in contrast to about 8,100 councillors, meaning 21,3 percent for the Democratic Convention. Assessing that 40 percent of the electorate did not report to the polls on February 9, Petre Roman opined that the percentage included the part of the electorate that had voted for the FSN on May 20, 1990 and that, because of the difficulties entailed by the transition, were undecided at the current elections. "We are sure," the FSN leader said, "that in the second round we may count on an increased participation in voting in the Front's favour."

Defining the Front as "a democratic party of the reform opposed to right wing restauration—in the meaning of the big social disparities of the period before the second World War—and opposed to communist restauration," Petre Roman assessed the 41 percent "a result of the FSN dynamics."

Asked to state whether the FSN accepted coalitions with other political formations for the second round, the FSN leader said: "Local understandings can exist in any democracy and, in order to be faithful to our own dignity, we must admit that the Romanians are voting as they well please."

Petre Roman believes that "the confidence of those who voted for the FSN on May 20, 1990 has not vanished" and that some hesitations were caused by the fact that the future "is not too clear." Therefore, he stressed, a coherent and clear program had to be promoted regarding jobs. "We are not prepared yet where management is concerned, but we must do something for every person that can be regained," Petre Roman said.

Election 'Irregularities' Uncovered in Tirgu Mures

AU1402194692 Bucharest ROMPRES in English 1842 GMT 14 Feb 92

[Text] Bucharest ROMPRES 14/2/1992—Following the February 14 [date as received] polls in Tirgu Mures, independent candidate Vasile Stefan Pokorny got 52.95 percent of the valid votes which were enough to make him mayor elect of Tirgu Mures Municipality.

On February 13 a press conference was held at the Tirgu Mures County Police Department during which Colonel Constantin Palade, head of the county police, informed that, through the address No. 4 of February 11, 1992, the Electoral Commission of the constituency No. 1 notified the Tirgu Mures Municipality Police about some violations of the Law No. 70/1991 concerning the lists of supporters of vasile Stefan Pokorny, independent candidate to the office of mayor of that municipality. Following the analysis of the aforementioned lists certain irregularities were observed: names of people living in other localities, citizens who had not signed the lists, the existence of the names of 63 minors in those lists, people who had been registered several times, etc.

Mayor's Candidacy Invalidated

LD1502114292 Budapest Kossuth Radio Network in Hungarian 0800 GMT 15 Feb 92

[Text] Laszlo Pokorny is not going to be mayor of Tirgu Mures despite his election victory. This is what the paper UJ MAGYARORSZAG was told by Istvan Nemes, a leader of the local organization of the Democratic Federation of Magyars in Romania [RMDSz], who added that the signatures of juveniles did indeed unlawfully figure on the nominating list of Pokorny supporters.

Laszlo Pokorny had attested the document's authenticity with his signature; thus, he has in fact commited a document falsification, affirmed Istvan Nemes. He also acknowledged that the RMDSz's local organization had made a mistake in not checking the signatures. Istvan Nemes is now anxious that the RMDSz could be banned from putting forward a candidate for the second mayoral election.

Mayor-Elect Pokorny Resigns

AU1502170692 Bucharest Radio Romania Network in Romanian 1600 GMT 15 Feb 92

[Text] Here is a communique from the Central Electoral Commission:

Within the framework of its tasks to ensure the observance and application of the provisions of the Law on Local Elections, the Central Electoral Commission declares the following:

1. On 15 February 1992, the Central Electoral Commission received by fax the resignation of Vasile Stefan Pokorny, resident of Tirgu Mures Municipality, Moldova Street No. 16 A, apartment 43, from the position of elected mayor of that municipality's constituency. In this respect, the Tirgu Mures Municipal constituency will organize new elections at a date to be established by the government.

2. According to the law, only the candidate who obtains half plus one of the votes cast by all the electors who participated in the ballot can be declared mayor. In order to establish that figure, one adds up both the valid votes and the void ones—this being the only operation where the null and void votes are also taken into consideration. The resulting figure is then divided by two, after which one is added. The result represents the minimum number of votes required by a candidate to be elected mayor.

3. Until the time of this communique, the Central Electoral Commission has not yet published the results of elections for mayors in Bucharest's sectors, for the position as Bucharest general mayor, or for the local councillors.

The communique is signed by Judge Gheorghe Uglean, president of the Central Electoral Commission.

Results From Vilcea, Timis Counties Announced

AU1502150992

[Editorial Report] Bucharest Radio Romania in Romanian at 0500 GMT on 15 February carries a five-minute report on "the results of the local elections in eight additional counties, which arrived at the Central Electoral Commission yesterday: Alba, Botosani, Buzau, Cluj, Hunedoara, Maramures, Old, and Sibiu Counties." The announcer says that "there is a delay in the computation of the official final results of the 9 February local elections, due to the fact that 10 counties and Bucharest Municipality have not yet sent in the final protocols of the vote count in the elections."

Bucharest Radio Romania in Romanian at 0900 GMT on 15 February carries a three-minute report by Victor Spirache from the Central Electoral Commission in Bucharest on "the official electoral results from Vilcea County, which arrived here this morning." According to Spirache, "voting proceeded in 83 constituencies, with new elections scheduled to be held in two of them and a second poll in another 47 electoral wards." The mayoral mandates were distributed as follows: "34 to the National Salvation Front [FSN], one to the Democratic Left Union [USD], and one independent. The runoff for the position of mayor of Rimnicu Vilcea Municipality will be contested by Messrs. Iosif Catana, from the FSN, and Nicolae Sofianu, from the Democratic Convention." Spirache adds that "1,055 of the envisaged 1,085 mandates for local councillors were allocated as follows: 524 to the FSN; 161 to the Romanian Agrarian Democratic Party [PDAR]; 61 independents; 43 to the USD; 219 to the Democratic Convention; 19 to the National Liberal Party-Young Wing; seven to the Republican Party; seven to the Romanian National Unity Party [PUNR]; five to the Romanian Ecological Movement [MER]; four to the Romanies' Alliance; two to the Cooperativist Democratic Party; two to the Social Democratic FSN; and one to the Traditional Social Democratic Party."

Spirache winds up his report by saying that "final electoral results are still expected to arrive from Bucharest Municipality and the Counties of Arad, Arges, Bihor, Brasov, Constanta, Giurgiu, Iasi, Satu Mare, and Timis."

Bucharest Radio Romania in Romanian at 1100 GMT on 15 February carries a four-minute report by Victor Spirache from the Central Electoral Commission on "final electoral results received from Timis County." Spirache says that "votes were cast in 82 constituencies; councillors were elected in all of them along with 29 mayors—18 from the Democratic Convention, five from the FSN, five independents, and one from the PDAR." According to the announcer, "out of the envisaged 1,091 councillor mandates, 481 were won by the Democratic Convention, 293 by the FSN, 63 by the Republican Party, 58 by the MER, 32 by the PDAR, 19 by the Germans' Forum, 15 by the National Liberal Party-Young Wing, 16 by the PUNR, 10 by the Romanian Democratic Forum, 11 by the Serbs' Democratic Union of Romania, 61 independents, and so forth."

Inquiry Commission Sets New Date for Sapinta

AU1502170892 Bucharest ROMPRES in English 1550 GMT 15 Feb 92

[Text] Bucharest ROMPRES, 15/2/1992—The special governmental commission of inquiry into the Sapinta (constituency 59, Maramures County) case of inobservance of the local election law published its report on the causes that hampered the citizens of the commune from

exercising their right to vote. Among them is the discontent of part of the locals for the manner in which Mayor Toader Stetca discharged his duties. This split the inhabitants into two adverse factions, whose conflicting interests have sometimes led to violent outbursts. On this background, Toader Stetca's candidature was contested by the local National Salvation Front (FSN) organisation. The court resolved that Toader Stetca should be deleted from the candidates' lists. In its turn, the Democratic Convention contested the candidacy of FSN contender Ioan Ilies, but the court of Sighetu Marmatiei rejected the contestation as ungrounded. Following these court resolutions, acts of violence and abuses in the days preceding the election made it impossible for the local authorities to keep the elections as the law provides.

Subsequent to inquiries on site, the commission found that Toader Stetca's supporters prevented their co-villagers from exercising their right to vote and proposed, among other measures, the holding of local elections in the commune of Sapinta on 23 February 1992.

Arad County Election Results Announced

AU1802095692

[Editorial Report] Bucharest Radio Romania in Romanian at 0500 GMT on 18 February carries a 2-minute report on official election returns received from Arad County.

Here "14 candidates of the National Salvation Front, nine from the Democratic Convention, four independents, three from the Agrarian Democratic Party of Romania, one from the Democratic Union of Czechs and Slovaks, and one from the Democratic Union of Hungarians in Romania," that is, "a total of 32 candidates won mayoral positions."

The report concludes by noting that in Arad County runoffs will be held in 42 constituencies and new elections will be necessary in one constituency.

Bihor County Election Results Released

AU1502165792

[Editorial Report] Bucharest Radio Romania in Romanian at 1600 GMT on 15 February carries a two-minute announcer-read report on "the latest electoral results released by the Central Electoral Commission, which come from Bihor County." He states that "45 mayors were elected in Bihor County—17 from the National Salvation Front [FSN]; 16 from the Hungarian Democratic Union of Romania [UDMR]; seven independents; two from the Romanian National Unity Party [PUNR]; two from the Romanian Agrarian Democratic Party [PDAR]; and one from the Democratic Convention." The announcer adds that "new elections will be held in three out of 95 county constituencies, while a second ballot is needed in 47 of them." The announcer winds up his report by saying that "results are still to arrive from Bucharest Municipality and from seven other counties: Arad, Arges, Brasov, Constanta, Giurgiu, Iasi, and Satu Mare."

Braila, Salaj To Hold Second Ballot 16 Feb

AU1502205292 Bucharest ROMPRES in English 2000 GMT 15 Feb 92

[Excerpts] A second ballot was scheduled by the Central Polling Commission for 16 February in the counties of Braila and Salaj, in all constituencies where mayorship candidates did not meet the required number of votes at the 9 February ballot. For the other counties, the second round both for mayors and councillors will be held on 23 February. [passage omitted]

The Prahova County organisations of the National Salvation Front, the Romanians' National Unity Party, the Agrarian Democratic Party of Romania, the Republican Party, the Union of the Democratic Left and Romania Mare Party decided to join in an alliance for the second ballot of the local elections under the name of "Alliance for Prahova."

Second Poll in 3 Counties; More Results Announced

AU1602152892

[Editorial Report] Bucharest Radio Romania in Romanian at 0500 GMT on 16 February carries a five-minute announcer-read report on the latest news from the local elections in Romania. The announcer says that "a second ballot is taking place today in Braila County for the election of the mayors of Braila Municipality, of Ianca and Insurantei towns, and of 17 communes." He adds that "the runoff for the position of mayor of Braila Municipality is between Mr. Aurica Avram of the National Salvation Front [FSN] and Mr. Gabriel Gheorghiu of the ecologists." According to the announcer, "a second ballot is also being held today in 33 town and commune constituencies of Salaj County." He adds that "in Zalau, the county seat, the runoff for the position of mayor is between the candidates of the Romanian National Unity Party [PUNR] and of the Democratic Convention."

Bucharest Domestic Service in Romanian at 1100 GMT on 16 February announces in a two-minute report on the latest poll developments that "aside from Braila and Salaj Counties, a second ballot is also being held today in six communes of Suceava County." Regarding the ballot in Braila County, the turnout is assessed as "moderate," with "only 17.65 percent of the electorate having cast their votes by 100 GMT."

In a five-minute hook-up with the Central Electoral Commission, reporter Tudor Stanciu says "election results from three other counties have arrived, namely Constanta, Iasi, and Giurgiu." According to Stanciu, "voting took place in 63 constituencies of Constanta County. Local councillors were elected in 62 of them and

mayors in 41 of them as follows: "17 to the FSN; eight to the Agrarian Democratic Party of Romania [PDAR]; five to the Democratic Convention; one to the Russian-Lipovan Community; one to the National Liberal Party [PNL]; and nine independents. A second ballot will be organized in 21 constituencies, including in Constanta Municipality, on 23 February. New elections will be held in one constituency." In Iasi County, "local councillors were elected in 88 of the 89 constituencies; mayors were elected in 52 as follows: 33 to the FSN; five to the Democratic Convention; four to the PDAR; one to the Democratic Union Party of the Romanian Village; and nine independents."

The reporter adds that "new elections will be organized in two constituencies and a second ballot in 35 constituencies, including Iasi Municipality, on 23 February." In Giurgiu County, "voting took place in 49 constituencies. Councillors were elected in 43 and mayors only in four constituencies, as follows: two to the FSN, one to the Romanian National Unity Party [PUNR], and one to the PDAR. Out of 693 councillor mandates, 590 mandates were allocated as follows: 259 to the FSN; 126 to the Democratic Convention; 94 to the PDAR; 39 to the PUNR; 22 to the PNL; 11 to the Romanian Ecologist Movement [MER]; eight to the Republican Party. The rest of the mandates went to six other political groupings." Stanciu adds that "a second ballot will be organized in 39 constituencies for the position of mayor and new elections will be held in four constituencies." The correspondent winds up his report saying that "electoral results have yet to come in from four counties—Arad, Arges, Brasov, and Satu Mare—and, of course, from Bucharest Municipality."

3 Counties Report Low Turnout in Partial Ballot

AU1602192092

[Editorial Report] Bucharest Radio Romania in Romanian at 1800 GMT on 16 February carries a five-minute announcer-read report on the results of the partial second ballot being held today in three counties—Braila, Salaj, and Suceava. Referring to the voting in Braila County, "which is proceeding in perfect order, without any incidents," the announcer says that "39 percent of the electorate have cast their votes in the county's 162 voting wards by 1500 GMT." He adds that in the elections for the position of mayor of Braila Municipality "the turnout of the electorate was only 36 percent by 1700." Regarding the ballot in the "148 voting wards in the 33 constituencies" of Salaj County, "voting has been going on without interruption since 0600." As for Suceava County, "where a second poll is being held in six communes," the announcer says that the electorate's turnout has been "rather low so far."

According to the announcer, "election results have yet to arrive from Arad, Arges, Brasov, and Satu Mare County and from Bucharest Municipality." The announcer says that the "Central Electoral Commission points out that Law No. 70/1991 on Local Elections does not stipulate a deadline for the counties handing over their results to the commission. Since the 9 February elections are local, the results are primarily of interest to the voters in the respective constituencies, hence they are first announced locally. The Central Electoral Commission centralizes the results in order to draw up the final statistics, which will then be published."

UDMR Meeting Ends; Election Results Viewed

AU1602203192 Bucharest Radio Romania Network in Romanian 1800 GMT 16 Feb 92

[Text] The proceedings of the Presidium of the Hungarian Democratic Union of Romania [UDMR] have come to an end today in Brasov. At a news conference given at the local Transylvania University, Senator Geza Szocs, vice president of the UDMR, pointed out that they analyzed the results of the first round of the local elections and that a strategy for the runoff has been worked out. He also announced that an extraordinary congress of this political formation was convened for the second half of April this year in Brasov.

UDMR spokesman Jozsef Csapo stated that on 28-29 February the national conference of the UDMR delegations will be organized in Oradea, preceded by discussions on political and economic strategy issues.

On the whole, the 9 February local elections were considered correct. However, the UDMR must make certain observations about the Army's involvement, to the extent that it can legally transfer persons to vote in certain areas, thus exerting a certain influence upon election results.

Concerning the statement made by Mr. Geza Szocs in Strasbourg, according to which the UDMR candidates were struck off electoral lists in some towns, like Tirgu Mures, Sovata, and Reghin, it was pointed out that this organization will notify the Council of Europe about its conclusions only after the runoff elections, but that their previously expressed fears have fortunately not come true.

According to their statements, the future strategy of UDMR relies on finding political allies among other political groupings in order to turn Romania into a state ruled by law.

Bucharest, Two Counties Disclose Local Results

AU1702134692

[Editorial Report] Bucharest Radio Romania in Romanian at 1100 GMT on 17 February carries a 7-minute report by Tudor Stanciu from the Central Electoral Commission on further election results from Satu Mare County, Bucharest, and Arad County.

Regarding Satu Mare County, Stanciu says that "mayors were elected in 33 of the 65 constituencies." The positions are distributed as follows: "Democratic Union of

Hungarians in Romania [UDMR]—10; National Salvation Front [FSN]—six; Democratic Forum of Germans in Romania [FDGR]—four; Romanians' National Unity Party [PUNR]—two; National Liberal Party (young wing)—one; Agrarian Democratic Party of Romania (PDAR]—one; UDMR-FDGR Alliance—one; and independents—eight."

Stanciu says that "councillors were elected in 56 constituencies" and that the positions are "distributed as follows: UDMR—220; FSN—163; Democratic Convention—67; FDGR—67; National Liberal Party (young wing)—42; PUNR—42; and independents—42. The remaining positions went to other political formations."

Stanciu says that results have also arrived from Bucharest Municipality, "both from Bucharest's Town Hall and from other sectors, according to data from the National Statistics Commission." Thus, he says, "regarding Bucharest Municipality, the 75 councillor positions stipulated by law were distributed as follows: Democratic Convention—32; FSN—23; Romania Mare Party—six; National Liberal Party (young wing)—three; ecologists—two; and one each to the Free Exchange Party, PDAR, PUNR, Bratianu Liberal Union, Romanies Alliance, Social-Democratic FSN, Democratic Leftist Union, and National Party of Free Producers of Romania."

Stanciu reaffirms that "Crin Halaicu of the Democratic Convention and Cazimir Ionescu of the FSN are contesting the position of general mayor of Bucharest."

He then says: "In the first sector, the councillor positions are distributed as follows: Democratic Convention—16; FSN—nine; Romania Mare Party—two; National Liberal Party (young wing)—one; ecologists—one; PUNR—one; and PDAR—one.

"The second runoff for mayor of the first sector will be between Flor Pomponiu of the Democratic Convention and Ion Furnichescu of the FSN.

"In the second sector, the councillor positions are distributed as follows: Democratic Convention—16; FSN—eight; Romania Mare Party—two; National Liberal Party (young wing)—one; ecologists—one; PUNR—one; Social-Democratic FSN—one; and PDAR—one.

"The second runoff for mayor of the second sector will be between Paul Popovati of the Democratic Convention and Iulian Velicu of the FSN.

"In the third sector, the councillor positions are distributed as follows: Democratic Convention—16; FSN—11; Romania Mare Party—two; National Liberal Party (young wing)—one; ecologists—one; PDAR—one; PUNR—one; Bratianu Liberal Union—one; and Social-Democratic FSN—one.

"The second runoff for mayor of the third sector will be between Constantin Tutunaru of the Democratic Convention and Florin Chirovici of the FSN.

"In the fourth sector, the councillor positions are distributed as follows: Democratic Convention—15; FSN - nine; Romania Mare Party—two; National Liberal Party (young wing)—one; ecologists—one; PDAR—one; Social-Democratic FSN—one; and PUNR—one.

"The second runoff for mayor will be between Eugen Bujoreanu of the Democratic Convention and Paul Magurean of the FSN.

"In the fifth sector, the councillor positions are distributed as follows: Democratic Convention—14; FSN—10; Romania Mare Party—two; National Liberal Party (young wing)—one; ecologists—one; PDAR—one; Romanies Alliance—one; and PUNR—one.

"The second runoff for mayor will be between Nicolae Bijoi of the Democratic Convention and Mihai Pintilie of the FSN.

"In the sixth sector, the councillor positions are distributed as follows: Democratic Convention—16; FSN—10, Romania Mare Party—two; National Liberal Party (young wing)—one; ecologists—one; PUNR—one; Social-Democrat FSN—one; PDAR—one; Bratianu Liberal Union—one; and Republican Party—one.

"The second runoff for mayor will be between Nicolae Vrabiescu of the Democratic Convention and Constantin Patica of the FSN."

Stanciu says that the National Statistics Commission has also reported the results from Arad County. The 979 councillor positions are distributed as follows: "Democratic Convention—290; FSN—319; PDAR—145; 59 independent candidates; ecologists—54; PUNR—22; UDMR—50." The other positions went to 10 other political affiliations.

"Of the 75 constituencies mayors were elected in 32 with the following distribution: FSN—14; Democratic Convention—nine; independents—4; PDAR—three; Democratic Union of Slovaks and Czechs—one; and UDMR—one."

Arges, Brasov Release Results; Runoffs Needed

AU1702152792

[Editorial Report] Bucharest Radio Romania in Romanian at 1400 GMT on 17 February carries a four-minute report by Victor Spirache from the Central Electoral Commission on "official ballot results from two further counties—Arges and Brasov."

Spirache says that "in Arges County, of the 99 constituencies, 45 have to organize runoffs, while seven have to hold new elections."

He continues by saying that "of the 47 elected mayors, 34 belong to the National Salvation Front [FSN]; two represent the Agrarian Democratic Party of Romania [PDAR]; two the Republican Party; and nine are independents.

"A total of 1,241 candidates have been given the mandate of local councillor in 92 constituencies as follows: FSN—569; Democratic Convention—273; PDAR—156; independents—91; Republican Party—49; Romanians' National Unity Party [PUNR]—22; Democratic Leftist Union—30; National Liberal Party (left wing)—12; National Liberal Party [PNL]—eight; Traditional Social Democratic Party—two; Bratianu Liberal Union—two; Romanies' Alliance—one; and Democratic Convention—one.

"In Brasov County, local councillors were elected in all the 52 constituencies as follows: Democratic Convention—219; FSN—213; Democratic Union of Hungarians in Romania [UDMR]—77; Ecologist Convention—63; PDAR—48; independents—47; PUNR—22; Traditional Social Democratic Party—19; and independents—25 on the lists of various political formations, namely a total of 733 elected local councillors as stipulated by law.

"In this county, the mandate of mayor went to 22 candidates contesting this position, namely: FSN—nine; Democratic Convention—four; UDMR—three; independents—three included in the FSN lists; independents—two; and one on behalf of the Ecologist convention.

"Runoffs have to be organized in 30 constituencies.

"Both in Pitesti and in Brasov, the runoff for the position of mayor in those municipalities will be contested by the candidates of the FSN and Democratic Convention."

Salaj Announces Results; Turnout 60 Percent

AU1702155892 Bucharest ROMPRES in English 1054 GMT 17 Feb 92

[Text] Bucharest Rompres 17/2/1992—According to preliminary data, in the second ballot for the local elections in Salaj County held on Sunday, February 16 the turnout was of about sixty percent. The electorate presented to vote in 148 constituencies for the mayors of 29 communes, 3 towns and Zalau Municipality. The candidates for the office of mayor of Zalau Municipality belong to the Democratic Convention and to the Romanian National Unity Party. The results centralised this morning show a great advantage of the candidate of the Romanian National Unity Party. Noteworthy is that this party has eight seats of the 23 of councillors of Zalau Municipality.

Bucharest Mayoral Candidates Assess Returns

AU1702164892 Bucharest ROMPRES in English 1417 GMT 17 Feb 92

[Text] Bucharest ROMPRES, 17/2/1992—Crin Halaicu, a candidate for general mayor of the Romanian Capital City from the Democratic Convention, shows in an interview with the newspaper TINERETUL LIBER that the way in which the local polls were organized had clearly proved that the National Salvation Front administration had been incapable to organize things properly; there were improvisation and chaos everywhere, which, he said, disqualified the opponents before the electorate.

Referring to his electoral platform, more precisely to changes as to the initial programme, Crin Halaicu said he had contacts in January and February with political personalities and businessmen abroad to lay the foundations of a support in case he would be elected. "With their support," Mr. Halaicu pointed out, "and with the support of other managers and investors, Bucharest's image may change in four years' time."

The other candidate for general mayor, Cazimir Ionescu, who represents the National Salvation Front, granted an interview to the same newspaper, explaining the smaller number of votes he got by the drop in the popularity of the National Salvation Front in the wake of the reform it started implementing. "People forget easily," he said, "that it is impossible to annihilate in two years a handicap accumulated in half a century."

Democratic Convention Holds News Conference

AU1702200092 Bucharest ROMPRES in English 1906 GMT 17 Feb 92

[Text] Bucharest ROMPRES, 17/2/1992—The press, information and propaganda commissions of the Democratic Convention arranged a news conference, in Bucharest on February 17, to point to the significance of the early returns of the local elections. It was assessed that "the Romanian electorate is not prepared to distinguish among the doctrines and programs of the political parties" and the need was singled out to maintain the electoral coalition of the Democratic Convention as a reply to "the conservative, reactionary or extremist political forces that take shape on the Romanian political stage."

Some irregularities in the organization and unfolding of the local elections were also pointed out, including "the loopholes of the election law, the intervention of the factors of administrative power against the Democratic Convention, the policy of the Romanian Television that, by its way of covering the elections, tries to influence the electorate on the second round."

Tokes Fined for Refusing To Supply Information

AU1602174292 Bucharest ROMPRES in English 1603 GMT 16 Feb 92

[Text] Bucharest ROMPRES, 16/2/1992—Bishop Laszlo Tokes was fined 5,000 lei by the Oradea Municipal Census Commission for having "refused to furnish information as required by the census forms," writes a note forwarded to ROMPRES by the secretariat of the Oradea Mayor's Office.

International

Ghali Proposes Urgent UN Deployment

LD1802004392 Belgrade TANJUG in English 2356 GMT 17 Feb 92

[Text] United Nations, February 17 (TANJUG)—U.N. Secretary-General Butrus Ghali has proposed that a U.N. peacekeeping operation should urgently start in Yugoslavia in a report handed out to the Security Council members only in order to inform their governments, TANJUG learned. Butrus Ghali proposed a peacekeeping mission under the name of the United Nations Protection Forces (UNPROFOR) in which some 14,000 troops, policemen and civil servants would take part.

U.S. Envoy Meets With FEC's Mitrovic

LD1402174192 Zagreb Radio Croatia Network in Serbo-Croatian 1600 GMT 14 Feb 92

[Report from Belgrade by correspondent Dusko Mandic]

[Text] Warren Zimmerman, the U.S. ambassador in Belgrade, had talks today with Aleksandar Mitrovic, vice president of what is left of the Federal Executive Council [FEC]. It has been learned that Mitrovic thanked the U.S. ambassador for the principled stand taken by the United States on the Yugoslav crisis. Both sides agreed that the proposal of the UN secretary general to send the blue helmets to war zones of Croatia, is the surest way to establish a permament peace. The U.S. diplomat expressed his conviction that this will be done soon. It was concluded that this would provide the foundations for resuming the peace conference on Yugoslavia.

Views were exchanged about the reestablishement of links with international financial institutions. It was also said that at this time it is very important to preserve the international subjectivity and continuity of Yugoslavia.

And while the U.S. ambassador had talks with the FEC vice president, foreign journalists received an ominous, unofficial report from Knin that Babic's supporters are being arrested and that military checkpoints, manned by military police, have been allegedly opened at approaches to the town. Reports are also coming from Knin that preparations are underway to turn Monastry Krka into a Serbian Alcatraz, if a military putch is carried out in Krajina, which was announced by the Krajina leadership at the latest session of the so-called [SFRY] Presidency when a total split occurred.

Interrepublic

Serbian, Montenegrin Parties on Common State

LD1402153392 Belgrade TANJUG in English 0051 GMT 14 Feb 92

[Text] Belgrade, February 13 (TANJUG)—The Montenegrin opposition National Party sees yesterday's agreement between the leaderships of the Yugoslav Republics of Montenegro and Serbia on the foundations of a common state as "completely acceptable in principle."

National Party President Novak Kilibarda told a news conference today that "Serbia and Montenegro can form a federal community, and then think if they want some kind of alliance with the others."

Kilibarda said "Montenegro could not imagine being without Serbia, but not under Serbia."

He recalled that the National Party is for the idea of all Serbs living in one state, but only when it is possible.

The president of the executive board of the strongest Serbian opposition party, the Serbian Renewal Movement, Milan Komnenic, described yesterday's agreement as the "creation of a micro- caricature of Yugoslavia."

Komneninc said in a statement to TANJUG that his party was surprised with the "premature move because the people had not expressed their will at a referendum."

He recalled that his party wants "Serbia (to be) a sovereign state with its own army," but has nothing against association with other states, if the people will it.

The leaderships of Montenegro and Serbia yesterday reached an agreement on the principles of the future common state which would ensure the continuity of Yugoslavia.

Serbia proposed the forming of a new Yugoslavia without Croatia or Slovenia, following the European Community's decision on January 15 to recognize the independence of these breakaway republics. So far, only Montenegro accepted the proposal.

Military Convoys Leave Macedonia for Serbia

LD1702162392 Belgrade TANJUG Domestic Service in Serbo-Croatian 1336 GMT 17 Feb 92

[Text] [No dateline as received]—Some 300 military vehicles loaded with military equipment from barracks and depots in Macedonia have passed Kumanovo on the Skopje-Belgrade Road. A large number of civilian trucks, military trucks, tanks and medical vehicles were in the column. The column was given approval to travel, so it continued toward Serbia.

Reports are coming in of small Yugoslav Army convoys passing Bitola, Stip and Titov Veles today. An increased number of military and civilian vehicles transferring families of the Yugoslav Army officers have been noticed in Skopje since yesterday.

Paspalj Writes to Milosevic, Condemns Opposition

AU1702194592 Belgrade RTB Television Network in Serbo-Croatian 1830 GMT 17 Feb 92

[Text] Mile Paspalj, president of the Assembly of Serbian Krajina, has sent a letter to Slobodan Milosevic, president of the Republic of Serbia, which says:

At its session held on 16 February in Glina, the Assembly of Serbian Krajina condemned the attempt by some opposition parties and their leaders to organize a demonstration planned for 9 March. The Assembly of the Republic of Serbian Krajina thinks that this activity by the opposition parties harms the integrity and existence of the Serbian nation at a time when it is waging a battle for survival in these areas.

The Assembly of the Republic of Serbia Krajina also thinks that such undemocratic pressures are a direct blow to the democratic aspirations of the whole of the Serbian nation and such steps particularly favor external factors in their attempts to destabilize Serbia and Yugoslavia.

Therefore, accept expressions of our full support because we think that your policy is the only correct and firm one in the interests of the Serbian nation and Yugoslavia.

With all respect,

[Signed] President Mile Paspalj.

Micunovic on Meeting With Babic, Karadzic

92BA0471C Belgrade BORBA in Serbo-Croatian 29 Jan 92 p 7

[Interview with Dr. Dragoljub Micunovic, leader of the Democratic Party in Serbia, by Milan Becejic; place and date not given—first paragraph is BORBA introduction]

[Text] Blue helmets should stay as long as all parties consider it necessary; people in the Krajinas have the right to make their own decisions, it is not for others to give them assurances that everything is going to be all right; Babic and Karadzic should have been addressed in a manner different than the one used by Mr. Milosevic.

The recent meeting between Dr. Dragoljub Micunovic, leader of the Democratic Party, with Dr. Milan Babic and Dr. Radovan Karadzic caused additional suspicion and shock in an already chaotic political life. The meeting was discerned by many as leading to a possible continuation of the war, the forestalling of Cyrus Vance's peace plan to which even Slobodan Milosevic had agreed, but others perceived it as a way to give Milosevic a slap on the hand for his war policy and thus shake up his position. In his interview with BORBA, Micunovic explains reasons for this meeting as well as some of the Democratic Party's views regarding Vance's peace plan, and some further steps towards the resolution of the Yugoslav crisis.

[Micunovic] In principle, the Democratic Party accepts Vance's plan, naturally as a vehicle for preventing war, but this does not mean that there isn't a certain want for precision in it, so it is very good that Marrack Goulding came to clear this up. We were proven right when we said that there should be no lack of clarity in prejudicing political solutions. Vance's plan, in principle, should ensure peace and create a normal situation for political talks. For those who are at least moderate politically, the function of Vance's plan has never come into question, and certainly not by the Democratic Party, which opposed the war from the very beginning and which openly protested against the bombing of Dubrovnik and Osijek.

Talking and Not Letter Sending

[Micunovic] So, it is not possible for anyone to accuse us of not being concerned about peace. Those who make such accusations put their own moral integrity at stake. But, it is an entirely different matter when one analyzes this plan for its possible political consequences, which means can the plan, and in what way with its vague terms prejudice political solutions, which is what it should not do. This is the question for which the people from Krajina rightfully demanded a clear answer. After all, it's their skin that is at stake. And, they proved to be right, which is why Marrack Goulding came to discuss and to precisely state the additional guarantees. This is the only way for the people to finally accept the plan as one possible resolution. Most important at this moment is that having peacekeeping forces in Krajina does not mean leaving Krajina entirely to arbitrary solutions made by the Croatian government. This, I believe, would not be acceptable to any democratic party regardless of its national makeup, because that would be identical to accepting discrimination. That, indeed, was the motive for analyzing the possible consequences of some of the terms of the plan. First of all, this refers to the period after the blue helmets withdraw, how long will they stay, if they stay, who makes this decision, and at the same time, who decides what further solutions are feasible?

If the UN is excluded, the decision is then left to the EC. Then, these two things have to be separated. Namely, it should be stated that the blue helmets should stay as long as all sides deem it necessary. This is one term that can still somehow be accomplished by means of an additional resolution by the Security Council. Then, there would be a strong impression created that all is in sync, and then naturally, everything in Brussels is going to be confirmed in the same manner that they used till now, that is, creating six independent republics. And, then there is the question of the political status of the Serbs—what will be its scope and who will guarantee it? This is precisely what the people in Krajina were interested in and excited about, and I think it was perfectly normal that they wanted precise answers. It is their right, this is all about them and they have the right to make decisions concerning themselves, it is not for others to give them assurances that everything is going to be done in the best possible way.

[Becejic] How much did your view, in fact, serve as a theme for the meeting?

[Micunovic] The meeting was very spontaneous, they wanted to meet with us and exchange views and opinions because so far their only contacts were with one political party, the Socialist Party. They believe they should hear other political figures from Serbia. We talked about everything, including Vance's plan, and they expressed some reservations regarding certain formulations and guarantees and we assured them that we understood their reservations. But, there was no reason to make any big speculations about it. There is no doubt that with these people we should talk in a manner very different from the manner used by Milosevic. I think that it was his letter that caused huge political damage to the Serbian people in general, and especially to those in Krajinas that are left without any international support, in particular without EC support.

Scattered Illusions

[Micunovic] From this a much bigger issue comes—the solution of the Yugoslav crisis. Milosevic's initial insisting on solving the problem by keeping Yugoslavia intact, that the separation of the two republics be called secession, which is to be condemned and later punished, in becoming involved with the military, and issuing statements that talked about creating an eroded Yugoslavia or creating some new Yugoslavia—all this gave people in Krajina and Bosnia big illusions, and suddenly these illusions were shattered. This caused a great political and psychological shock, and it is of utmost importance that now a more sober consideration of the situation be established, so that others can see what these people have admitted themselves, that is that they very naively fell into the Badenter commission trap. If you remember well, when the EC offered the first document, when they talked about the Arbitrary Commission, we pointed out that the authority given to the commission was huge and that Serbia agreed to it too easily. It was immediately clear that complete sovereignty should not have been given to the international institutions and international organizations, or to Europe, especially since there is no influence there, or a lobby so that we could count on support. On the contrary. Thus, we could expect a total lack of sympathy due to the regime in Serbia as well as to the favoring of the strong lobbies that others have there. All of this brought us into a situation in which Serbia will probably have difficulties in getting recognition as a state within its own present administrative borders. This is the downfall of such a policy. One has to be fair and say that this is the responsibility of the regime in Serbia, which was inflexible and provocative in its rigidness and incompetent to reform itself democratically, all of which made Europe rightfully suspicious towards this regime. On the other hand, the "prejudice of Europe," which submitted itself to the influence of some countries which had special interests in breaking up Yugoslavia, for the sake of peace in the European house, came quick and flippantly. Thus some disputes between America and Germany were settled at the time in a cheap way and at the expense of Yugoslavia. These two factors, for us very hampering, brought an inconceivable political solution, but the most defeating solution Serbia had to face.

[Becejic] In your contacts with Babic and Karadzic, have you detected, as of the moment, any substitute for these illusions, something that would not necessarily bring along with it the danger of continuing the war?

[Micunovic] Instead of illusions, Serbia, both the official and opposition Serbia, should insist to the very end on their right to self-determination. That same principle was also the basis for breaking up Yugoslavia, and the people of krajinas should also oppose such discrimination. All of this, it seems to me, is in accordance with international norms and with finding a peaceful solution. In other words, we should speed up the overcoming of the obstacles that still exist. I think that Babic and Goulding will reach a clarification of these conditions and that the blue helmets will come. We should see what else is controversial in these talks, what is it about, and then use that period for intensive negotiation between Serbia and Croatia, and in the end, between the representatives of Serbian Krajina and the Croatian authorities, because we must insist more on our inner agreements than on outside solutions, which are often imposed.

"Incorrect Misunderstanding"

[Becejic] Is there room or reason for anger among some peacemaking organizations here over comments addressed at you after your meeting with Babic and Karadzic?

[Micunovic] I don't think so; this is almost "incorrect misunderstanding." The fact that some documents are being discussed does not mean immediately that someone jeopardized the peace and who knows what else. That this is not true we can see from the fact that Hadzic has completed talks and talks with Babic are underway, and all of this is going on while peace is being maintained, and that peace, as a process, is unstoppable. In any case, I hope no one will take the responsibility for continuing the war; even Babic does not want that. On the other hand, peace is the biggest value, but by accepting peace one does not have to accept all the solutions brought with the peace. Within peace and peaceful solutions there are many choices. But that does not mean that the only possible choice is to "tie the horse where Agha tells you to." After all, there is something that's called one's own interests for every state community, and I do not see why we should respect the interests of Germany more than our own. A policy that would take into consideration only the different ways in which to satisfy others' interests, and not just one's own, can not have any support of its own people and, in the end, is totally senseless. We have to make sure that we make up for the things we haven't done so far; first, to start with our clear interests; second, to tell others that their

interest is not in conflict with ours, thus creating cooperation with other countries, with other economies. It would be totally wrong for us to believe that we will be immediately rewarded only because we will completely forget or will not at all think about our own interests, but rather understand the other, foreign interests. We will not be rewarded. There are no rewards in the world today and I don't believe that somewhere out there is a jury, so that whoever wags his tail more beautifully will get the bigger piece of cake. In international relations this was never the case.

The President Tripped or Stopped

[Becejic] How, at this moment, should you defend yourself from the accusation that you are trying to be a bigger Serb than Milosevic? How to represent the thesis of an independent Serbian state and not be a nationalist?

[Micunovic] We, of course, never had any pretensions to be nationalists, and we never have been nationalists, especially not with the intention to beat Milosevic in nationalism. If he is now lagging in showing concern for the complete Serbian national program, it means only that he has tripped or stopped, certainly it is not that we have speeded up our race in order to overtake him. I do not see that this now leads to nationalism. It would be nationalism if we insisted on some military means of acquiring territory that historically belonged to Serbia, etc. This is about respecting the democratic principle of national sovereignty and the rights of each citizen to express himself on his own state and, definitely, on the system and representatives. We insist at the moment on the creation of a Serbian state, and not on expressing nationalism, because Serbia is all that's left of Yugoslavia. I know it's senseless calling it Yugoslavia, and because of that, it is senseless that we are late in organizing our own state. Suffice it to say that we remain the prisoners of the federal political institutions that are completely depleted—from the federal government to the Army. Second, Serbia should simply try to organize itself so it can become the subject that can conclude contracts. Will Serbia later be forced to go to the window of the Badenter commission? I think this can be avoided because that is the cynicism and irony with which Europe treats Serbia, because after all Serbia has for a long time been a state, and if everyone else can declare statehood why shouldn't Serbia? And, who should she ask for this recognition?

Federal

General Says Army Will Respond to Attacks

AU1402172492 Belgrade Radio Beograd Network in Serbo-Croatian 1400 GMT 14 Feb 92

["Excerpts" from an interview with General Milutin Kukanjac, commander of the Second Military District, by Belgrade Radio on 14 February; place not given—recorded]

[Text] We are facing numerous problems of an objective and a subjective nature. We are making maximum efforts to resolve them in the best possible manner. It is not easy, but we are going forward optimistically and with our heads held high.

We will do everything for the peace and happiness of the people on these territories. Like the proverb says, we will not even harm a fly. However, if there are attacks on members of the Army, on Army installations, and Army families, then, I must say, we will react differently.

The leaderships at all levels were warned about this. The Zivinice case and some other cases suggest that there are forces who are seeking a conflict with the Army for reasons that are only known to them. We ask them most politely not to play with fire and human lives.

Presidency on Croatian, Macedonian Secession

LD1402175792 Belgrade TANJUG Domestic Service in Serbo-Croatian 1457 GMT 14 Feb 92

[Excerpt] Belgrade, 14 Feb (TANJUG)—The Presidency's Information Service has announced that a session of the SFRY Presidency, chaired by Branko Kostic, vice president of the SFRY Presidency, was held in Belgrade today. In addition to the SFRY Presidency members, the communique adds, the session also was attended by Slobodan Gligorijevic, president of the SFRY Assembly; Bogdana Glumac Levakov, president of the Federal Chamber of the SFRY Assembly; Aleksandar Mitrovic, vice president of the Federal Executive Council; Petar Gracanin, federal secretary for internal affairs; Colonel General Blagoje Adzic, acting federal secretary for national defense; and Milivoje Maksic, deputy federal secretary for foreign affairs.

The communique also says that competent federal officials briefed the SFRY Presidency about the current political and security situation. It was pointed out that the political and security situation in the country is still complex and difficult. Croatia's armed formations are trying to provoke units of the Yugoslav Peoples' Army [JNA] into reacting in order to accuse them of violating the cease-fire. They are not choosey about their methods in such attempts, so there are even cases when they open fire on areas under their control, usually when foreign observers are staying there. Later on they accuse the JNA of opening fire. The JNA is strictly observing the cease-fire in line with the obligations arising from the Sarajevo cease-fire agreement.

At its session, the SFRY Presidency examined a draft law on exercising the right of a people to self-determination which will essentially create a legal basis for the process of seeking peaceful and democratic solutions to the Yugoslav state and political crisis, and supported its fundamental ideas and proposed provisions. At the same time the SFRY Presidency pointed out that it is necessary to speed up the adoption of this law.

Considering that the Republic of Macedonia—contrary to the constitutional and legal system of the SFRY—is not sending recruits and reservists to the JNA, and that it has passed its own law on defense and stopped contributing to the federal budget—including contributions for the JNA—that is, it has passed bills on the creation on an independent state and has been practically behaving like a sovereign state during the process of its international recognition, in an effort to resolve the existing problems in a peaceful and democratic way, the SFRY Presidency today passed conclusions on the temporary relocation of JNA units and establishments from the territory of the Republic of Macedonia until definite agreement is reached on a solution to the state and political crisis in Yugoslavia. [passage omitted]

Kostic Comments on SFRY Future

LD1502162992 Belgrade TANJUG Domestic Service in Serbo-Croatian 1450 GMT 15 Feb 92

[Text] Belgrade, 15 Feb (TANJUG)—"As long as I am a member of the Supreme Command, I will not sign an order on Yugoslav People's Army [JNA] withdrawal from Bosnia-Hercegovina," said SFRY Presidency Vice President Branko Kostic in an interview for the latest issue of ILUSTROVANA POLITIKA [ILLUSTRATED POLITICS]. All those believing that the Slovene and Croatian scenario is going to be repeated in Bosnia-Hercegovina should take this into account. If the three nations within that republic do not vote for the withdrawal, it is unrealistic to think that the Serbian nation would accept the army withdrawal, Kostic specified.

Kostic was asked whether the army was ready to introduce the state of emergency a year ago, even though it changed its mind after the 9 March demonstrations in Belgrade. Kostic said that the army proposed the introduction of the state of emergency after the demonstrations on Republic Square. In his view, the demonstrations did not have a major influence on the decision. The meeting had fatal consequences because it created the impression for those working on the breakup of Yugoslavia that there were major political divisions in Serbia, which they could exploit for their secessionist goals, Kostic said.

That 9 March, he added, and the ensuing activity of some political parties, had disasterous effects for the combat readiness (defeatism, draft dodging, harmful activity in army units, and so on).

Asked about the arrival of the blue helmets, Kostic stated that he believes they will come soon. In this context, he was asked about opportunities for constitutive nations to get the right to self-determination: in other words, for Serbian Krajina to gain international recognition. If we proceed from the current political situation in Europe, I think it would be unrealistic to expect to solve the political status of the Serbian people in Krajina, Kostic said. As far as Bosnia is concerned, I believe that the right to self-determination will be respected there, although that process will take a long time, he added.

Asked how Yugoslavia will look in a year's time and in 10 years, Kostic said that Montenegro, Serbia, and Bosnia-Hercegovina will form Yugoslavia within a year or earlier. Realistic chances exist that Macedonia will enter Yugoslavia in 10 years' time, unless it it is broken up by all those already hostile toward the republic and waiting for the process of division to start.

Asked about chances for the so-called southern front to be opened, he said that the Albanian people in Kosovo have been acting prudently. They have rejected the war-mongering policy of their leaders. I think that the leaders realize that war would mean a high death toll. For this reason I am convinced that "the southern front" will not be opened. I am also convinced that we should not compromise with those dreaming of secession, he said.

Ethnic Structure According to 1991 Census

92BA0479A Belgrade BORBA in Serbo-Croatian 27 Jan 92 p 8

[Article by Edita Petronijevic: "The Multicolored Little Stones of the Ethnic Mosaic"]

[Text] The first results of last year's population census, which are coming in these days from the Federal Bureau of Statistics, and which under the obvious dictate of the public concern precisely the most painful question of Yugoslavia—are obviously speaking to us about a country that already is no more. Still, the results are instructive, not only for the sake of comparison, but also because of the many people who want to draw new borders, who, if they really want ethnic borders, must first study the real situation by opstinas. If nothing else, to see how difficult their job is.

The Bosnian Mixture

The toughest case in this respect is certainly Bosnia-Hercegovina [B-H]. The impossible intermingling of three nationalities in that republic has created insurmountable difficulties for the new "border guards," who would divide it up, but they do not know how. That is why when they talk about their national states within that republic, they are unable to show them on actual maps.

Of B-H's total population of 4,364,574, the Muslims are the most numerous group (43.7 percent), followed by the Serbs (31.4) and the Croats (17.3). That leaves the Yugoslavs (5.5 percent) and "Others" (2.1). What is more, they are all unevenly distributed, which has resulted in a large number of mixed marriages, and the latter quite naturally have produced a great number of children of "mixed ethnic background" (almost 16 percent of the children in B-H come from these mixed marriages).

Viewed by opstinas (if we use a classification based on the principle of plurality), the Muslims are the largest nationality in 52 B-H opstinas. The other half of B-H

opstinas are divided between Serbs (the largest nationality in 37 opstinas) and Croats (in 19 opstinas). The defect of this principle, however, is that a "Croatian" opstina may be like Bosanski Samac (with 44.7 percent Croats and 41.5 percent Serbs), a "Serbian" opstina may be like Derventa (40.8 Serbs and 39.0 Croats), or a Muslim opstina like Doboj (with 40.2 percent Muslims and 39 percent Serbs), etc.

If, however, we adopt the principle that there is no "Muslim" opstina unless it has at least 50 percent Muslims, then 37 opstinas "belong" to this ethnic group. The Serbs, similarly, are now left 32 of the remaining 37 opstinas in which they constitute a majority, and the Croats are left 13 "Croatian" opstinas of their previous 19. If we follow this principle to the end, we can say that the purist Croatian opstina is, for example, Posusje (99.5 percent Croats, 0.1 percent Serbs). Cazin (Muslims 97.6 percent, Serbs 1.2, and Croats 0.2 percent) can be taken as a purely Muslim opstina, and Titov Drvar as a purely Serb opstina (Serbs 97.3 percent, and Croats and Muslims each 0.2 percent).

"Serbian" Opstinas in Croatia

In Croatia, the situation is somewhat clearer, but, it seems, much more complicated as well. Croats are a majority in most of the 100 Croatian opstinas, indeed they hold a substantial majority (higher than 80 percent in all of some 60 opstinas). The problem is with those 13 opstinas with a Serbian majority of the population and those several where the superiority of one or the other nationality is "close." The "Serbian" opstinas (we should bear in mind, of course, that much of this has changed since the census) are: Benkovac (57.4 percent Serbs and 40.6 percent Croats), Donji Lapac (97.4 Serbs), Dvor na Uni (85.6 Serbs), Glina (60.5 Serbs and 35.0 Croats), Gracac (82.3 Serbs and 14.0 Croats), Knin (88.6 Serbs), Kostajnica (62.4 Serbs and 28.5 Croats), Obrovac (65.9 Serbs and 32.2 Croats), Pakrac (46.4 Serbs and 36.0 Croats), Petrinja (44.9 Serbs and 44.2 Croats), Titova Korenica (75.8 Serbs and 16.8 Croats), Vojnic (90.6 Serbs), and Vrginmost (70.6 Serbs and 24.4 Croats). The share of the Serbs is also substantial in the following Croatian opstinas: Beli Manastir (41.7 percent Croats and 25.5 percent Serbs), Daruvar (34.3 Croats and 33.2 Serbs), Grubisno polje (42.3 Croats and 32.1 Serbs), and Vukovar (43.7 Croats and 37.4 Serbs—very few of them live there now, unfortunately).

In Serbia, there are really very few so-called non-Serb opstinas (excepting, of course, Kosovo and Vojvodina). Among these several exceptions are three opstinas which have a Muslim majority (Novi Pazar with 74.1 percent Muslims, Sjenica with 75.8, and Tutin with 93.1 percent Muslims), two with an Albanian majority (Bujanovac and Presevo with 60.6 percent and 90.3 percent Albanians, respectively), and two opstinas with a Bulgarian majority (Bosilegrad and Dimitrovgrad, with 72.9 and 52.5 percent Bulgarians, respectively).

In Kosovo, the censustakers did not "find at home" a majority of the Albanian population in this census, so that their number was estimated. Albanians constitute the immense majority of the population of the province (82.2 percent). Serbs figure as a majority in only four Kosovo opstinas: Zvecan (79 percent), Zubin Potok (53 percent), Leposavic (87.7 percent), and Stroc (66.3 percent Serbs).

As far as Vojvodina is concerned, although it is the most multinational, it has still remained Serb to a considerable extent. For instance, the Serbs are not a majority in only 10 Vojvodina opstinas (out of a total of 45). These are Ada, Backa Topola, Becej, Kanjiza, Mali Idjos, Senta, Subotica, and Titov Vrbas (with a Hungarian majority), and Backi Petrovac and Kovacica with a Slovak majority.

Macedonia has four non-Macedonian opstinas. Albanians are a majority in the opstinas Gostivar (62.7 percent), Debar (44), Kicevo (45.9), and Tetovo (71.1). In addition, there are a considerable number of Albanians in Kumanovo (34.5) and Struga (42.9).

In Montenegro, three of the 20 opstinas are non-Montenegrin. Those are the "Muslim" Plav and Rozaj (with 58.3 percent and 87.6 percent Muslims, respectively) and Ulcinj, in which Albanians are in the majority (72.1 percent). In Montenegro, 61.8 percent of the population declared themselves in the census to be Montenegrins, 14.6 percent Muslims, 9.3 percent Serbs, and 6.6 percent Albanians.

The results of the census have failed to reach the Federal Bureau for Statistics only from Slovenia.

[Box, p 8]

Belgrade's Ethnic Structure

Of Belgrade's total population, which is 1,617,774, aside from the Serbs, who are, of course, the most numerous (1,374,487, or 84.9 percent), there are 17 other groups of Belgraders of varying ethnic background. First and most numerous are the Yugoslavs (87,615, or 5.4 percent), and then Montenegrins (42,975, or 2.7 percent). Croats (16,400) and Macedonians (15,670) represent 1 percent of the Belgrade population. They are followed by Muslims (13,624, or 0.8 percent), Gypsies (14,175—0.9 percent), Albanians (5,370—0.3 percent), Slovenes (3,628—0.2 percent), Hungarians (2,884—0.2 percent), Slovaks (2,849—0.2 percent), Bulgarians (1,733—0.1 percent), and Romanians (1,654—0.1 percent).

There are so few of all others that their number is not even expressed in percentages, but only in absolute figures—these are Ruthenians (290), Turks (257), Wallachians (70), Bunjevci (15), and Sokci (5). There are all of 7,312 Belgraders under the heading "Others" (0.5 percent), 2,872 inhabitants of the capital (0.2 percent) did not declare a nationality, and 1,677 inhabitants opted

for a regional allegiance. Finally, there were 22,172 Belgraders (a total of 1.4 percent) under the heading "Unknown."

[Box, p 8]

Ethnic Structure of Sarajevo

Some time ago, Mr. Aleksa Buha, a member of the SDS [Serbian Democratic Party] of Bosnia-Hercegovina said that the "Serbian republic of B-H" would also have to include that portion of Sarajevo in which the Serbs are a majority. According to the census results, in the capital of B-H Serbs are a majority in the opstina Ilijas, where they represent 45.1 percent, and in the opstina Pale (69.1 percent Serbs). Mr. Buha does not answer the question of what in that case would happen to the 37.2 percent Serbs in Ilidza, the 34.7 in New Sarajevo, or the 35.8 percent in Vogosca. Or perhaps those opstinas would also be proclaimed "Serbian"?

But if we assume that Sarajevo will remain undivided, the recent results of the census show that its population would be 49.3 percent Muslim, 29.9 percent Serb, 10.7 percent Yugoslav, and 6.6 percent Croat.

Bosnia-Hercegovina

Izetbegovic Departs for U.S. Visit

LD1802100192 Belgrade TANJUG Domestic Service in Serbo-Croatian 0916 GMT 18 Feb 92

[Text] Sarajevo, 18 Feb (TANJUG)—The president of the Bosnia-Hercegovina Presidency, Alija Izetbegovic, has left today for a short working visit to the United States. It is expected that President Izetbegovic will hold talks with U.S. Deputy Secretary of State Lawrence Eagleburger and other politicians, a statement of the Information Service of the Bosnia-Hercegovina Presidency says.

Military Accidents Kept Quiet in Mostar

LD1502212292 Zagreb HTV Television in Serbo-Croatian 1830 GMT 15 Feb 92

[Text] Military sources have kept quiet about yesterday's crash of two enemy helicopters, a Gazela reconnaissance helicopter and an MT-8 transport helicopter, at the foothills of Mt. Velez. Only today at 1100 did they admit that the Gazela helicopter crashed. They claim it was caught in electricity supply cables. The same sources also claim that no one was killed in the incident, just wounded. Let us remind you that a Gazela can carry five people, while an MT-8 can carry 30 people.

In a search for eyewitnesses, we went all the way to the foothills of Mt. Velez on the border with the municipality of Nevesinje, which is under the control of the police of the so-called the Serbian Autonomous Region of eastern Hercegovina. We found people who say that the wreckage of both helicopters was taken away. Fear of the Army is so great that no one wanted to repeat this in front of the camera. The Mostar Ministry for Internal Affairs refused to give any information, explaining that Saturday is a non-working day for them.

Rumors about another Army accident are circulating Mostar. Official bodies are silent about it. Due to the lack of expertise, four people were killed at the military technical institute, otherwise known as a poisonous gas factory, in Bijelo Polje near Mostar. Their bodies were seen in the town mortuary.

Two Army Helicopters Crash Near Mostar

LD1402205792 Zagreb HTV Television in Serbo-Croatian 1830 GMT 14 Feb 92

[Text] Two helicopters of the army of occupation crashed this morning in Gnojnice near Mostar's air force base at the foot of Velez mountain. One of them was a Gazelle helicopter and the other was an Mi-8 helicopter. The pilot flying the Gazelle died. I have no other official information. We have, nevertheless, learned from reliable sources that the Mi-8 was transporting reservists of the army of occupation. Since these helicopter flights have been occurring on a daily basis, one assumes that they were carrying the soldiers to positions held by the army of occupation for some time.

A trailer brought the remains of the helicopters to the air base. Apart from that, today's weather conditions were unsuitable for flying, so one of the reasons behind the crash of these enemy aircraft might have been the low cloud level.

Apart from having confirmed that the crashes took place, neither the Ministry of Internal Affairs nor, of course, the Army have released any official information. The Army's activities have suddenly quieted in the wake of this incident and the frequent helicopter and airplane flights that took place this morning.

Military Denies Helicopters Crashed

LD1502134192 Belgrade TANJUG Domestic Service in Serbo-Croatian 1248 GMT 15 Feb 92

[Text] Mostar, 15 Feb (TANJUG)—According to this morning's statement by a regional center for information, which quoted information from the relevant command of the Mostar air base, a Gazelle military helicopter crashed yesterday during a regular training flight in Kruzanj near Mostar. There were no dead and the crew sustained only slight injuries.

According to military sources, the cause of the crash, which completely destroyed the aircraft, has not yet been established. The command of the Yugoslav People's Army [JNA] Mostar air base denied as completely groundless

Party Leaders Speak on Bosnia's Future

AU1402215492 Sarajevo Radio Sarajevo Network in Serbo-Croatian 1800 GMT 14 Feb 92

[Report on news conference by Jose Cutiliero, coordinator of the Conference on Yugoslavia; Alija Izetbegovic, president of the Party of Democratic Action; Radovan Karadzic, president of the Serbian Democratic Party; and Mate Boban, speaking for the Croatian Democratic Community, after the first round of the Conference on Bosnia-Hercegovina by correspondent Zdenko Vranjes in Sarajevo on 14 February; Cutiliero speaks in English with simultaneous translation into Serbo-Croatian—recorded]

[Text] In these talks, the EC delegation has the task to listen to the options of the three main parties, to search for the common points in these options, and not to judge, Jose Cutiliero said. He assessed the positions of the three parties to still be far apart, but he also said that they are now much clearer and more understandable. We will meet again soon, he said. The talks have not ended yet, the search for the solution of the future organization of Bosnia-Hercegovina is a process, and the aim of the talks is to establish the basic principles for the organization of Bosnia-Hercegovina, on the basis of which the three parties will agree by themselves on the future form of organization and the constitution, Cutiliero said. He emphasized this with the words: Whatever your will is, Europe shall accept it.

As for the referendum, the last issue, we did not talk about it, Cutiliero said and added:

[Cutiliero] The referendum will take place. The attendance at the referendum and the results of the referendum will be public. The results will certainly be significant and you can then interpret them.

Alija Izetbegovic assessed the talks as follows:

[Izetbegovic] I must be honest and conclude that no visible progress was made. From the very first day I thought, and I still think so now, that the assistance of European friends is necessary in order for us to find a solution.

Radovan Karadzic was more satisfied with the talks:

[Karadzic] I could agree with the statement of Mr. Ambassador that the greatest progress is that we listen to each other and try to understand the opening positions and motives. In my opinion, in the process of transforming Yugoslavia the nations fear ending up in a position they do not accept. It is perfectly clear to us that the Croatian and Muslim national community in Bosnia-Hercegovina does not wish to wake up in Greater Serbia or Little Yugoslavia one morning. We respect this as a legitimate political will of these two national communities.

According to the results of our plebiscite, the Serbs do not wish to wake up in Greater Croatia or Greater Bosnia-Hercegovina. This is also a legitimate wish, a legitimate political will of the Serbian nation. We are dealing with the understanding of fears in these talks. We must accept each others' fears and find a solution in which there will be as little fear as possible, or no fear at all.

A little later, Izetbegovic replied to Karadzic by saying that he does not know what Greater Bosnia-Hercegovina means and that there is neither a Greater Bosnia-Hercegovina nor a Little Bosnia- Hercegovina, but Bosnia-Hercegovina as it is and as it has always been. The only fear that exists is the fear of a divided Bosnia-Hercegovina and the war that would result from this division. Then Izetbegovic said that he would finally like to hear the real reasons why the Serbian Democratic Party [SDS] is boycotting the referendum. Previously, Mate Boban also presented his view of the talks:

[Boban] Today, if nothing else, we know openly what everyone thinks in the original version. Our friends are helping us a lot in this. I believe that a peaceful solution of the crisis in Bosnia- Hercegovina must come about. If the whole matter is viewed from this perspective, and it is, then all the proposals that exclude each other will have to be brought down to a lower level of exclusion and we will have to reach an agreement.

Boban replied that the stand of the Croatian Democratic Community [HDZ] is that Bosnia-Hercegovina should be a state community of three sovereign nations. Izetbegovic replied to this that sovereignty belongs to the nation. However, this does not mean the ethnic perception of a nation, but rather a concept according to which all citizens of a state are considered a nation. Such a perception of the nation exists in all civilized countries. The referendums in Slovenia, Croatia, Macedonia, and other republics, were held on the basis of this concept. The insistence on ethnic sovereignty in Bosnia-Hercegovina would open the issues of Sandzak, Kosovo, and Vojvodina in Serbia, and the issue of the Knin Krajina in Croatia, Izetbegovic said.

Mate Boban said he does not perceive sovereignty like this. At the end of the conference, the most important question of the day was asked: Has the HDZ betrayed the Muslim nation? Izetbegovic replied like this:

[Izetbegovic] I do not expect the HDZ to deceive anyone. Therefore, I do not expect it to deceive the Muslim nation. However, since Mr. Boban is here, he can answer whether the HDZ has any intention of deceiving the Muslim nation. I believe that it does not have such an intention, although we differ to some degree on the referendum question. We agree, and this could be seen in the talks today, on an independent and sovereign Bosnia-Hercegovina. There are no differences here. We also agree that we should take part in the referendum.

We only differ on the referendum question. I believe that the HDZ will realize that regardless of its intentions and subjective position, that objectively speaking, insistence on changing the question would, at the moment, lead

toward undermining the referendum. Therefore, if the referendum fails due to such a stand, this could result in all of us actually ending up in Greater Serbia. Disregarding the fact that the HDZ wants this to happen least of all, even less than we do, to query the question on the referendum now could result in referendum either not being held or failing. Nevertheless, I hope that this will not happen.

And Boban replied:

[Boban] I would answer all of you and the lady who asked the question with the folk proverb: Any bird can be forgiven, but the bird who is a traitor. The Croatian nation does not know how to betray and deceive. The Croatian nation is decisive in its demands, but these demands are no greater and no less than the rights we grant to anyone else, and they are no less and no greater than the rights that all nations of this world have.

While some 100 journalists were awaiting the end of the talks in Konak villa, the representatives of the opposition parties held an unscheduled news conference.

They privately presented their views on the future of Bosnia- Hercegovina to the EC delegation in 10-minute receptions today. They said that the opposition agrees only on the point that the citizens and parliament must make a final decision on Bosnia- Hercegovina. They do not expect any significant conclusions after the two days of talks. They judged them to be informative talks that will help the EC in Brussels to take its stand on the issue of Bosnia-Hercegovina.

Croatia

Babic Announces Referendum on Vance Plan

LD1302201892 Belgrade TANJUG in English 1853 GMT 13 Feb 92

[Text] Knin, Yugoslavia, Feb 13 (TANJUG)—President of the Republic of Serb Krajina Milan Babic today sent a letter to U.N. Secretary-General Butrus Ghali informing him that a referendum has been called for February 22 and 23 in this Yugoslav region on a peace plan proposed by U.N. envoy Cyrus Vance.

"The leadership of the Republic of Serb Krajina and myself, personally, will respect without reservations the will of the people as expressed in the referendum, whatever it might be. We expect the others, too, to respect the referendum and not to put obstacles in its way," says Babic in his letter to Butrus Ghali.

The decision to call a referendum was taken in Knin four days ago by part of the deputies to the Krajina parliament, loyal to Babic. However, a day earlier, parliament had met in Glina, with two-thirds of the deputies present, and "fully and unconditionally" accepted the peace plan, of which the United Nations has been informed.

Babic approached the U.N. secretary-general after rumours were circulated at U.N. headquarters that the Security Council might decide to dispatch a blue helmet force to the territory of the Serb Krajina Republic later this week. In his letter, Babic does not conceal that he is disturbed at this decision and recalls that, in his capacity as president of Krajina, he has brought to the attention of the United Nations his reservations about the peace plan and demanded its modification.

The Krajina leader stresses that he proposed holding the referendum in keeping with his constitutional powers and that he was forced to do so under pressure applied in order to "disrupt the constitutional system of the Republic of Serb Krajina and its institutions." Babic says that he took the step not because he was not sure if the objections raised by him and the government of Krajina to the plan were well-founded, but because he believed referendum to be the best thing to do in the present emergency situation and in view of the pressure to accept a solution "to the detriment of Krajina"

Recalling that Butrus Ghali himself was against solutions being imposed on anybody in the teeth of principled objections, Babic stresses that the objections of Krajina's Serbs are precisely of that nature and concern their inalienable right to self- determination.

In conclusion, Babic warns that a possible decision of the Security Council to dispatch blue helmet troops without Krajina's consent "would certainly result in heavy casualties" and begs that no step and no decision be taken at this dramatic moment which might be conducive to fresh casualties.

Krajina 'Assembly' Relieves President Babic

LD1602202492 Belgrade TANJUG Domestic Service in Serbo-Croatian 1943 GMT 16 Feb 92

[Text] Glina, 16 Feb (TANJUG)—The Assembly of the Republic of Serbian Krajina issued a statement this evening regarding its session in Glina today at which it adopted a decision to relieve of duty Republic of Serbian Krajina President Milan Babic, called on the government to resign, and proclaimed as null and void all actions taken so far in connection with a referendum on the UN peacekeeping plan.

The statement says that a conclusion has been adopted "to organize as soon as possible the Assembly of the Republic of Serbian Krajina on its entire territory, with the participation of representatives of the Assembly of Western Slavonija, Eastern Slavonija, Western Srem, and Baranja, which would adopt decisions of vital importance for the functioning of the whole of the Republic of Serbian Krajina regarding the deployment of UN forces and the functioning of government bodies at all levels."

The Assembly session proposed that multiparty general elections be called, and that the premier designate of the new government of the Republic of Serbian Krajina,

which must include representatives from all territories encompassed by the Republic of Serbian Krajina, be appointed. The statement specifies that the session proposed that a joint session be held in Vukovar.

The Assembly endorsed an initiative to lend its support to the Serbian Democratic Party for Bosnia-Hercegovina and its Chairman Radovan Karadzic in "their struggle to preserve the continuity of Yugoslavia and to win the right to vote on living together in a common country by all those wishing to do so," the statement says.

The Assembly denounced with acclamation attempts to organize a demonstration on 9 March in Belgrade as "an attempt to unlawfully topple the democratically elected institutions of the Republic of Serbia, and an attempt to split the unity of the Serbian nation."

The statement also stresses that "possible convocations of sessions of something called an Assembly of the Republic of Serbian Krajina are illegal, and their decisions are null and void."

Babic Rejects Decision

LD1602213892 Belgrade TANJUG Domestic Service in Serbo-Croatian 2104 GMT 16 Feb 92

[Text] Knin, 16 Feb (TANJUG)—Milan Babic, president of the Republic of Serbian Krajina, this evening rejected decisions made by the Assembly of the Republic of Serbian Krajina, which was in session in Glina, because the session—as he put it—was attended by only 47 deputies out of 161.

In a statement for Radio Knin, Babic said that the Assembly of the Republic of Serbian Krajina has 119 deputies from the old municipalities and 42 deputies from the newly-formed municipalities, a total of 161.

Babic claimed only 47 deputies attended the session in Glina. According to him, 39 deputies voted for the dismissal of the government, and only 26 voted for the dismissal of the president. So, Babic told Radio Knin, the session in Glina could not have represented the Assembly, nor are its decisions valid. Babic added that, as far as the president is concerned, it is required that two- thirds of the Assembly deputies ask for the president's dismissal, and then the people vote for or against in a referendum.

"What happened in Glina is just a show to cause confusion among the people of Krajina, reduce the authority of the institutions of the Republic of Serbian Krajina, and prevent the referendum which we had called; and all this under instructions from Belgrade, from those who want to return Krajina to Croatia. We are telling them that they will not succeed," Milan Babic stressed at the end of his interview.

Denies Session's Legality, Writes to Ghali

LD1602235592 Belgrade TANJUG Domestic Service in Serbo-Croatian 2333 GMT 16 Feb 92

[Text] Belgrade, 16 Feb (TANJUG)—Dr. Milan Babic, president of the Republic of Krajina, this evening sent a letter to UN Secretary General Butrus Ghali, stating that his government considered as illegal a meeting in Glina today which, as Babic claims, was attended by only 47 out of the total of 161 deputies of the Assembly of the Republic of Serb Krajina.

In his letter, a copy of which was delivered to TANJUG by the Belgrade-based Krajina government's bureau, Babic goes on to claim that "a group of delegates was coerced, while a number of them acted of their own accord, to place themselves in the service of certain political forces outside Krajina."

The Krajina government bureau warns Ghali that he is likely to receive a letter from Borisav Jovic to inform him about, it is claimed, "the latest decisions" of the Krajina Assembly. It is said that this letter will not be based on facts.

In his letter Babic assures the UN secretary general that "the majority of the Krajina Assembly delegates support the policy of President Babic's government" and goes on to express his "serious concern for the future of political agreements based on lies."

Seeks Negotiator Status at Peace Conference

LD1702155592 Belgrade TANJUG in English 1351 GMT 17 Feb 92

[Text] Belgrade, Feb 17 (TANJUG)—President of the Republic of Serb Krajina Milan Babic demanded today a status of negotiator for Krajina at the peace conference on Yugoslavia.

At a news conference held here today, Babic said that 'if a resolution by the U.N. Security Council on dispatching a U.N. force were to provide for Krajina's participation on an equal footing in the peace conference on Yugoslavia, we would be satisifed.'

He expressed satisfaction that many problems linked with the deployment of a U.N. peacekeeping force in Krajina had been resolved. Babic said the statement by U.N. secretary general Butrus Ghali meant that some 50 per cent of all demands and objections had been met. The one large problem that remains is Krajina's participation in the search for a political solution, he stressed.

Expounds on Stances

LD1702182692 Belgrade TANJUG Domestic Service in Serbo-Croatian 1533 GMT 17 Feb 92

[Excerpts] Belgrade, 17 Feb (TANJUG)—[Passage omitted] Without our participation in the Brussels peace conference on an equal footing, there is a danger that Milosevic and Tudjman will reach an agreement at the

expense of Krajina and then they will say that the problem is solved, Milan Babic said at today's news conference. Precisely to prevent this, we demand that we participate on an equal footing in the search for a political solution. We view concessions made in the past month "as a victory over the SFRY Presidency, which did not allow any changes to the plan," Babic added.

Babic cited as "another small and unresolved problem, a possibility of Ustashas from some foreign countries taking part in UN peacekeeping troops," and he mentioned Canada, Latin American countries, Australia and Sweden, where large groups of Croatians, including Ustashas, live. [passage omitted]

Babic also said that the information media were "portraying" his dismissal as a "fait accompli."

Deputies from almost all parts of Krajina have requested a session of the Krajina Assembly in Knin tomorrow, Babic announced, to discuss the two sessions in Glina and all other problems concerning Krajina.

Babic then said that Krajina was exposed an information blockade by both Croatia and Serbia. This is understandable on the Croatian part "because we are in conflict with them," Babic stressed. According to him, the Serbian authorities monopolize the information media not just in Serbia, but also in the Republic of Serbian Krajina.

In this situation, he said, "it is clear why democratic Serbia criticises the work of Belgrade radio and television, and of other media." At the same time Babic mentioned "a coordinated campaign currently waged against Krajina institutions, and specifically its president."

Babic explained that the Krajina Assembly had 119 deputies (seven from each of 17 municipalities) until 19 December, and that after that date, the number of deputies was increased by 42 because six new municipalities were formed. The overall number of deputies is now 161, he specified.

Babic assessed as "unconstitutional" announcements on the convocations of an assembly comprising representatives of all three autonomous regions: The Knin Krajina; Western Slavonia; and Slavonia, Baranja and Western Srem.

Babic explained that western and eastern Slavonia, Baranja and Western Srem "are not yet part of the Republic of Serbian Krajina" because prior to the Krajina Assembly voting on their annexation, a referendum must be held. We are not against unification, Babic stressed, but it must be done in a legal way and in accordance with the prescribed procedure.

Asked whether he accepts the arrival of the blue helmets and whether he is prepared to take upon himself responsibility for a renewed war because of Krajina's opposition to the blue helmets, Babic said: "It cannot be said for any of us that we are rejecting the UN peace plan." However, he reiterated the well-known objections that Krajina could be given back to Croatia with the help of the blue helmets. At the same time he noted that it is unacceptable that only Krajina is disarmed and not the Croatian army soldiers.

As far as responsibility for war is concerned, "the aggressor—the Republic of Croatia—is responsible for it," Babic said. According to him, "the SFRY Presidency—both the previous one and the current rump Presidency—also bears responsibility because it has done nothing to prevent illegal arming and forming of the Croatian army. When the other side armed itself, it led the Army into a senseless war against towns." Babic voiced his opposition "against the destruction of towns and such a conduct of war."

For us, the best solution is "demilitarization of everyone in Yugoslavia and disarming of all armies because then we could argue and negotiate, but no one would be killed."

Considering that he is now criticizing the media in Serbia, Babic also was asked whether this means that he takes a diffirent attitude to them compared with 9 March last year. He replied that he was not "supporting Milosevic" then, but that he had appealed to the Serbian people to be united. "Later on I heard that Mrs. Milosevic called me a Chetnik," he added.

Asked whether he would greet UN peace forces as aggressors and offer resistance, Babic replied: "We will not oppose the UN Security Council decision by force, but we must warn of the lack of trust that still exists regarding the decision on disarmament. Where there are arms, incidents are possible."

When asked, in addition to the above, whether he guarantees the security of blue helmets, Babic replied: "We hope that the Security Council will not pass any decision without our consent. The council bears responsibility for any consequences."

"Tudjman is against blacks and Indians, while you are against Canadians, South Americans, Australians, and Swedes within the peace forces," was a remark to which Babic reacted by explaining: "There are a large number of naturalised Croats in Canada who are Ustashas. We have information that they are interested in coming to Krajina with the Canadian contingent. As far as Tudjman is concerned, he is against blacks because he is a racist and because Africans cannot pass for Croat Ustashas."

Asked "who among the Krajina people has greater support, you or Paspalj and can there be an armed settling of accounts in Krajina?" Babic answered: "Should Milosevic order his paid boot-lickers to use arms, anything could happen." However, he added, "these forces are weak and I doubt if they could cause chaos in Krajina." Babic also stated that "Milosevic's groups in Krajina are in a minority."

Babic denied that he "made any arrangements for bringing the king to Yugoslavia." The party I belong to, he said, is not royalist, but we have not yet discussed this issue.

Asked: "Has Krajina been exposed to economic sanctions because of this dispute?" Babic replied:

"His highness the despot of Serbia made it clear in his letter that Krajina should elect new deputies if it wants cooperation with him. The Serbian people in Serbia and the democratic Serbia disagreed. Problems exist in trade and supplies of certain goods, but it is difficult to implement economic sanctions against Krajina owing to the pressure of public opinion in Serbia. True, the regime in Serbia is awarding some Krajina municipalities, while some have not even delivered the goods already paid for."

Asked whether there are one or two assemblies in the Republic of Serbian Krajina, Babic said: "There will be only one assembly, which will have sessions in Knin. The assembly in Glina is illegal."

Asked: "How do you see Martic's presence in Glina," Babic replied: "Martic has been paid by Milosevic for over a year, and it can be guessed what jobs he has been doing for Milosevic. Martic will be held accountable for being on the payroll of the Serbian Ministry for Internal Affairs."

I did not want to raise the issue of Martic's responsibility so far because of discussion about the arrival of the blue helmets, but "a new government will be proposed soon." [passage omitted]

When a journalist noted he "is not as militant about the UN plan as he was a month ago," Babic said: "I am not militant at all." He was also adamant that he does not unconditionally approve Cyrus Vance's plan. "I will wait for the outcome of the referendum, and then I will make the final decision".

Babic denied press reports that he had agreed with Paspalj to abandon the referendum. "Mile Paspalj, as a citizen of the Republic of Serbian Krajina, is not obliged to vote in the referendum."

After a journalist refreshed his memory by saying that "he, too, used to have secret meetings with Milosevic," Babic said that they met prior to their trip to The Hague and Paris, but that he was always accompanied by aides when talking to the Serbian President. "I was not against publishing when we met and what we talked about," Babic said, and added that he did not know why Milosevic did not do this. [Passage omitted]

Babic, Paspalj Reportedly Meet in Vojnic

AU1602161592 Belgrade Radio Beograd Network in Serbo-Croatian 1400 GMT 16 Feb 92

[Dragan Dimitrijevic report from Knin]

[Excerpt] [Passage omitted] There has been no official information for days from the Knin corps on events on the battlefield. Knin is attentively awaiting the outcome of today's session of the truncated Assembly, which was called in Glina by Assembly President Mile Paspalj.

The promised official statements on the outcome of yesterday's meeting between Dr. Milan Babic [president of the Republic of Serbian Krajina] and Mile Paspalj in Vojnic have not yet arrived in Knin. It had been announced that a reconciliation might be possible between the leaders of the Republic of Serbian Krajina.

Dr. Babic has scheduled a session of the Krajina Assembly for 18 February in Knin, which, like today's session in Glina, will most probably be a session of a truncated Assembly.

Babic Comments on Milosevic Presidency

LD1702154292 Belgrade TANJUG Domestic Service in Serbo-Croatian 1408 GMT 17 Feb 92

[Text] Belgrade, 17 Feb (TANJUG)—"I do not want to urge the Serbian people in Serbia to topple President Milosevic, although he called on the people of Krajina to rise against me," the president of the Republic of Serbian Krajina, Milan Babic, said as he answered journalists' questions about the demonstrations scheduled for 9 March.

It seems to me, Babic said at today's news conference, that "people in Serbia have realized the danger of Milosevic continuing to be the republican President".

Asked which political orientation in Serbia he is closest to, Babic recalled that he is a member of the Serbian Democratic Party, which is why all democratic parties are close to him.

'Lack of Food,' Arrests Reported in Knin

LD1502213492 Zagreb HTV Television in Serbo-Croatian 1830 GMT 15 Feb 92

[Text] Despite extreme difficulties in communications with Knin, we have learned from unofficial sources that there is a serious lack of food in the town and the municipality. The general situation is becoming increasingly worse.

The unofficial sources also say that the military police have been arresting followers of Babic. Serbian Radio Knin officially reported that Milan Babic, president of the Republic of Serbian Krajina, met completely unexpectedly with the president of the assembly of the Republic of Serbian Krajina behind closed doors in Vojnic at 1140 GMT today. The meeting was attended by Bishop of Gornji Karlovac Nikanor.

Regarding the forthcoming referendum Lazar Macura, director of Serbian Radio Knin, stated at a meeting yesterday that the so-called Vance plan will bring Krajina back to the time before hostilities began, meaning

both referenda of the Serbian people would be abolished and the final obliteration of the Republic of Serbian Krajina, which again is going to come under the jurisdiction of the Republic of Croatia, while the remaining part of Krajina will belong to Croatia once the blue helmets have left.

Krajina Party on 'Tragedy' of Assembly Split

LD1702184792 Belgrade TANJUG Domestic Service in Serbo-Croatian 1640 GMT 17 Feb 92

[Text] Knin, 17 Feb (TANJUG)—The presidium of the Serb Democratic Party [Srpska Demokratska Stranka—SDS] of Krajina said today that there is evidence of a split in the assembly of the Republic of Serb Krajina whose president has turned into "an extended hand of those who want us to remain in the republic of Croatia."

In a statement the presidium of the SDS—the party which at one stage in the past split into a moderate wing headed by Dr Jovan Raskovic and a section which sees itself as the sole legitimate wing and is led by Ljubica Solaja—says that Mile Paspalj represents a group which advocates "the withdrawal of the Yugoslav People's Army from Krajina and the disarming of the Krajina Territorial Defense and favors accepting our humiliating status of a national minority, for nationally mixed police and for surrendering our arms to the National Guard corps."

Such an attitude is being described as "capitulation," the statement stresses. "We do not seek war but an honourable and just peace and the right of the Serbian nation to decide on its own fate." This right, the Krajina SDS presidium stresses, the Serbian nation will exercise in the coming referendum on the peace plan.

It is a tragedy that some dishonourable individuals are calling for the replacement of the president of the republic of Serb Krajina and of its government at the time when a political battle is being waged for the sovereignty of the Serbian nation and the Republic of Serb Krajina, the SDS presidium says in conclusion. the public rumors about the crash of two JNA helicopters.

Tudjman Hopes for Army Withdrawal by Summer

LD1602170992 Belgrade TANJUG Domestic Service in Serbo-Croatian 1529 GMT 16 Feb 92

[Text] Rome, 16 Feb (TANJUG)—Croatian President Franjo Tudjman says that Croatia will gradually establish local authorities "in all its territories" when the blue helmets arrive and when all Yugoslav People's Army units withdraw from Croatia.

Interviewed by the Rome IL MESSAGGERO, Tudjman said today that he believes the army withdrawal will be completed by summer and that new elections will be held in Croatia in July or, at latest, August.

The Croatian President categorically rejected speculation that Croatia and Serbia have struck a secret deal to partition Bosnia- Hercegovina, but added that there are grounds for "setting up a canton for Croats," because "Serbs have already separated their areas from that republic."

He said that the Croatian people in western Hercegovina have the right to organize themselves in order to defend their own existence in the case of a Serb-Muslim accord to keep Bosnia-Hercegovina in a mini-Yugoslavia.

The Croatian President highly assessed the efforts made by Italian Foreign Minister Gianni de Michelis, Premier Giulio Andreotti, and President Francesco Cossiga in promoting the Croatian cause.

Tudjman Denies Statement on UN Troops

LD1502130292 Belgrade TANJUG Domestic Service in Serbo-Croatian 1206 GMT 15 Feb 92

[Text] Zagreb, 15 Feb (Tanjug)—The office of the president of the Republic of Croatia has denied BBC Television News claims that last December Franjo Tudjman stated that he would not accept any non-Western units in the UN forces to be sent to Croatia.

In a letter sent to the BBC yesterday, Vesna Skaro the representative of president's press office stresses that she has the authority to confirm that president Tudjman never made any such or similar remark.

Tudjman Outlines Economic Strategy

LD1602183092 Zagreb Radio Croatia Network in Serbo-Croatian 1600 GMT 16 Feb 92

[Excerpts] A formal session of the assembly of the Croatian Economic Chamber was held in Zagreb today to mark the 140th anniversary of this institution. The session was attended by Croatian President Franjo Tudjman, Assembly President Zarko Domljan, Croatian Prime Minister Franjo Greguric, the vice president of the assembly, vice premiers, former chairmen of the Croatian Economic Chamber and many prominent businessmen from all over Croatia. Albino Cehic reports:

[Cehic] [passage omitted] Addressing the session, Croatian President Franjo Tudjman delivered an inspired speech. He also spoke about the organization of businessmen and tradesmen in Croatia in the last century and added that economic chambers play an important role in economic development. Tudjman summarized as follows the numerous tasks currently facing Croatia:

[begin Tudjman recording] I hold that our attention should be focused on five main points of the transformation of the Croatian economy into world-standard entrepreneurship.

First, we should have a clear program of economic development which will strategically use all Croatia's advantages and remove all disadvantages, both objective and subjective, through the prudent investment of

domestic and foreign capital, and the ability, knowledge, and diligence of our businessmen, without the interference of detrimental, unilateral, and non-economic state or political influences. The basic idea of such strategic development is known, but it is up to you, businessmen, to further improve and use this economic program for the benefit of enterprises, economic branches, and our entire homeland. Not a single development program, including strategic ones, is a closed book; on the contrary, it is a wide-open book.

Second, in the course of the renewal of Croatia's economy we should secure the return of population and an influx of fresh capital in order to improve the construction of towns and villages, modern family houses, and production capacities at the highest technological level in democratic, civilized, and technological terms.

Third, we should speed up the inclusion of Croatia in European and world economic trends, bearing in mind that countries of the European Community will play an important role in this respect. The European Community, its member countries, and some other countries have already started tackling the problem of stabilizing Croatia's economy, i.e. investment in Croatia. Through special programs it is possible to secure additional financial help, even the freezing of debt repayments that are now due, which would at this moment represent a useful breather. However, we must be aware of the fact that Croatia will not join the European and world economic trends simply by expecting help from the European Community; rather Croatia will achieve this in real terms if it is ready to reply with all its abilities and capacities to the demands of a modern capital and goods market.

The fourth main point of our economic activities must be orientation toward the speedy transformation of ownership, toward creative, open and unreserved acceptance of free market logic, which is to say, competition in the free flow of capital and goods, both in Europe and in the world.

Finally, the fifth point: State regulation in the legislative, legal, and primarily in the tax sense, must give clear legal solutions as regards balance sheets, tax obligations, incentives and property protection lest we should through superfluous administration confuse and discourage both domestic and foreign businessmen. [end recording]

[Cehic] The formal session of the Croatian Economic Chamber ended with a brief art program.

Croatian Assembly Supports Peacekeeping Forces

LD1402212992 Belgrade TANJUG Domestic Service in Serbo-Croatian 2010 GMT 14 Feb 92

[Text] Zagreb, 14 Feb (TANJUG)—In the conclusions adopted this evening following a two-day session, the Croatian Assembly has supported "the arrival of international peacekeeping forces to certain areas within the recognized borders of the Republic of Croatia." At the same time, the Assembly "has charged the government to do everything to realize the sovereignty of the Republic of Croatia in these (crisis) areas in a peaceful manner and with the help of the international community."

The special conclusions supporting the report made by Assembly President Zarko Domljan and Vice Premier Mate Granic say that Assembly deputies "are aware that Croatia has a special responsibility to insure individual human rights and liberties, as well as collective, ethnic, and national rights." Hence, the Assembly charges all state bodies "with taking all the necessary measures for the functioning of the law-governed state on the entire territory of the Republic of Croatia."

The Assembly has charged the Croatian Government with taking steps to insure that the world is informed "about the fact that almost the entire Croatian population and other non-Serbian populations have been expelled from the temporarily occupied territories" and that "the Republic of Serbia has moved and is moving in citizens of Serbian nationality, and in that way it is changing the ethnic composition of the population by force."

The Assembly has also asked that, with the help of the international community, all Croatian citizens who were drafted "are released from the Yugoslav People's Army" so that they are not "forced to fight against their own homeland."

Assembly Adopts Bill on Abolishing Departments

LD1402154292 Zagreb Radio Croatia Network in Serbo-Croatian 1200 GMT 14 Feb 92

[Report by Martin Vukovic from the Croatian Assembly]

[Text] The Assembly deputies spent most of their time this morning on determining the session's agenda, while they were most skeptical about initiating a debate for passing a law on the division of the Republic of Croatia into counties [zakon o podrucjima zupanija u Republici Hrvatskoj]. However, after [Deputy Prime Minister] Milan Ramljak's report, in which he explained that all unclear issues could be resolved during the debate, the deputies accepted the draft agenda, thus opening the procedure of adopting individual bills.

So far the deputies have adopted the bill on amendments to the law on the government of the Republic of Croatia abolishing two government departments—for relations with republics and provinces of the former Yugoslavia, and for adjustment to European integration. Adopting the draft law on citizens' identity numbers, the Assembly deputies decided that the exclusive identity number could only be allocated to Croat nationals. According to the draft law on identity cards, which was also adopted,

identity cards will be produced in keeping with modern European standards, thus ensuring greater security of these documents.

In the course of the day the Assembly is expected to adopt the text of a declaration condemning the political trial of and verdict on Cardinal Alojzije Stepinac, as well a declaration on the condemnation of the arrest and murder of Andrija Hebrang.

Government Lists Cities for Refugees' Return

LD1702161692 Zagreb Radio Croatia Network in Serbo-Croatian 1400 GMT 17 Feb 92

[Text] We have received from the Croatian Government's Office for the Evicted [Prognanici] and Refugees a list of the locations in Croatia which provide the possibility of immediate return (of refugees). These are: Bjelovar, Brac, Buje, Buzet, Cres-Losinj, Crikvenica, Cabar, Cakovec, Cazma, Delnice, Donja Stubica, Donji Miholjac, Dugo Selo, Djakovo, Djurdjevac, Garesnica, Hvar, Imotski, Ivanec, Ivanic-Grad, Jastrebarsko, Ploce-Kardeljevo, Kastela, Klanjec, Koprivnica, Korcula, Krapina, Krizevci, Krk, Kutina, Labin, Lastovo, Ludbreg, Makarska, Metkovic, Nasice, Omis, Opatija, Ozalj, Pag, Pazin, Predgrada, Porec, Pula, Rab, Rijeka, Rovinj, Senj, Pozega, Slavonski Brod, Split, Solin, Trogir, Valpovo, Varazdin, Virovitica, Vis, Vrbovec, Vrbosko, Vrgorac, Zabok, Zelina-Sveti Ivan, Zlatar Bistrica, Zupanja, and Zagreb.

This is the list of the places in Croatia to which displaced persons and refugees can return immediately.

Police Instructed To Control 'State Border'

LD1402201892 Belgrade TANJUG in English 1808 GMT 14 Feb 92

[Text] Zagreb, Feb 14 (TANJUG)—Parliament of the Yugoslav breakaway Republic of Croatia today instructed police to take control of the border "in the entire territory of the republic".

The decision was made after parliament today passed a bill on the control of the "state border".

The explanation offered by parliament was that the bill was approved in order to establish control "of the state border in the entire territory of the Republic of Croatia, including the municipalities with a special status".

The special status applies to some 20 municipalities which are part of the Republic of Serb Krajina and which account for one-third of Croatian territory. Croatian authorities do not control these municipalities.

The motion was passed in the Croatian parliament today although Croatian President Franjo Tudjman recently "fully and unconditionally" accepted the U.N. peace plan under pressure from Germany and Italy.

The plan sets out that Croatia would not have jurisdiction over the territory of Krajina—which would be placed under the trusteeship of the United Nations—until a final political settlement is reached.

The Croatian parliament's decision that the republican police take control in the territory of Krajina too again calls into question Croatia's acceptance of Vance's plan and its implementation.

Croatian officials have recently been vowing to regain the disputed territory by force, if not with the help of the blue helmets.

Even some papers in Austria and Germany, the countries which sponsored the premature recognition of Croatian independence, now say that Croatia is making moves which are at variance with the U.N. peace plan.

The Berlin daily TAGESZEITUNG today accused Croatia of favouring a military settlement and said that the chief obstacle to the deployment of a U.N. peacekeeping force in Yugoslavia was no longer Krajina leader Milan Babic, but the Croatian leadership.

Official Offers Police Perspective on Crisis

92BA0491A Zagreb VJESNIK in Serbo-Croatian 2 Feb 92 p 11

[Interview with Ivan Vekic, minister of internal affairs of the Republic of Croatia, by Mladen Plese; place and date not given: "Croatian Police in All Parts of the Country Soon"—first paragraph is VJESNIK introduction]

[Text] It is correct that the targets and victims of criminal acts are often citizens of Serbian nationality. But, many Serbs from some areas of Croatia have joined terrorists and Chetniks. One must keep this in mind when speaking about moving out. We can check every person who has moved, and we will determine how many of them were forced to leave.

The minister of internal affairs of the Republic of Croatia is largely determined by the nature of his duties. As this job does not withstand improvisation, Vekic is as precise as an accountant when he quotes figures, a rational analyst while explaining the causes and consequences of phenomena, but firm and decisive in taking advantage of all the rights that the rules of the service allow him, when it is necessary to oppose the violation of legal norms. On the other hand, in moments of pause, without tape recorders and reporters' notebooks, an eloquent subject is freed who does not hide how, with tearful eyes, he accompanied a unit of young Rijeka policemen who caught their breath when they heard that they were going to the Slavonian front, and not to Gospic and Otocac, and not suspecting what awaited them in Vukovar. Vekic is among those who do not triumph at these moments: He is aware how much of that Croatia must still carry on its back, but equally how difficult and painful the loss of a single human life is. Thus it is not hard for him, despite being on the job for 16 hours, to

speak with the mothers, fathers, spouses, and sisters of fallen policemen, to extend a word of consolation to them....

[Plese] How would you evaluate the security situation and how, from the standpoint of the police, has the war reflected on public order and peace in Croatia?

[Vekic] The MUP [Ministry of Internal Affairs] has succeeded in verifying the figures with which I will answer your question up to the end of 1991. It is not a question of finally determined figures, since a certain number of criminal acts have been committed in areas that the police forces of the Republic of Croatia do not control or that they control only partially.

It is worthwhile to say first that the increase in individual criminal acts is characteristic, but the manner in which they are carried out is also significant. The number of criminal acts with elements of terrorism has increased, next the number of premeditated killings has increased, especially those that were committed in a brutal fashion and from base motives. The number of robberies has also increased, but, something that is very important, so has the number of criminal acts that are aimed at the violent destruction of the constitutional order of the Republic of Croatia and the number of criminal acts against mankind and international law. During 1991, with the reservation that a definite assessment has not been made, 60,602 criminal acts were documented. These figures can serve as a guideline, so one concludes indirectly that the total number of criminal acts decreased by 9.2 percent compared to 1990. About 50 percent, or 30,362 criminal acts, remained unsolved. In 1990 42.5 percent of the criminal acts remained unsolved. However, the cause of this, if it can be so said, is precisely the security situation and the general situation in which Croatia found itself in 1991, especially in the second half of the year when a sharp escalation of war clashes took place. Thus it is logical that, in a year when the police participated in battles on fronts throughout Croatia, the number of punishable acts that were not solved was higher than in 1990, but even then Croatia already found itself in a situation that it was possible to call everything but normal. Criminal acts committed "by the other side" are not included in these numbers, because we cannot process them now. I fear that it is a question of the most serious acts and that they were very numerous.

Premeditated murders and murders for base motives in a brutal fashion increased by 178.8 percent compared to 1990, robberies increased by 70 percent, threatening the security of people and property by 114.7 percent, and illegal behavior and the carrying and misuse of weapons by 278.9 percent.

According to MUP figures, there were 1,113 criminal acts directed against the interests and security of Croatia, of which there were 689 acts of terrorism, while 333 punishable acts were classified as state insurrection. But even these figures are incomplete. It was a case of much migration by people, many movements of military units, flight, persecution, and various types of dislocation of persecuted people. All this makes even more difficult the job of confirming and gathering all relevant facts and figures. Almost 76 of these acts have remained unsolved for now, I think partly because of the circumstances, but the perpetrators themselves too. Naturally, where acts against the state are concerned, it is quite logical that the number of these criminal acts has increased with the war aggression, which is the most powerful motivator of such types of criminal acts. In the second half of the year there were 945, an increase of 1,125 percent. Somewhat fewer than 58.7 percent of the criminal acts against mankind and international law have remained unsolved, but the increase is tragic: Only five such acts were recorded in 1990, and now 46!

[Plese] Has the number of terrorist attacks with explosive devices increased?

[Vekic] Among others, with the remark that there are areas where that happens more often. If we date the beginning of the armed rebellion to August 1990, then 2,495 cases of planting explosive devices and fires have been documented up to now in the territory of the Republic of Croatia. The most frequent targets are apartment projects, houses, weekend cottages, adding up to 1,493 cases, and the remainder are hotels and restaurants, shops, automobiles, railroads, newspaper kiosks, monuments of the People's Liberation War, and churches. Therefore, this means explosive devices, and not destruction caused by war operations.

[Plese] Do you have figures on the national makeup of the owners of the facilities attacked?

[Vekic] There have mostly been attacks on the property of owners of Serbian nationality, but I mention again that these are figures from areas that have not been equally caught up in the war. However, the property of citizens of Croatian nationality has also been threatened in these areas, this in 25 to 30 percent of the cases, while attacks on the property of members of other nationalities have been minor. There were seven killed and 18 injured in these attacks. With the approach of the war near certain areas, the number of these serious criminal attacks has increased. There are several reasons: Police control and the physical presence of the police have diminished because members of the police have participated in war operations, so they have not been able to act preventively against against the possible perpetrators. In addition, in these parts of the Republic, people's passions have been excitable to a much greater extent, and controlling their actions has been neither easy nor simple; it cannot be said that the possible perpetrator of a criminal act was not in a position to be provoked by an external factor. Horrible scenes are an everyday occurrence in these areas. Crimes take place and people suffer at the front, but also in the rear, where there are bestial attacks on the unprotected civilian population, so citizens sometimes find themselves in a situation where certain criminal acts are tied exclusively to such a way of

living—a situation into which the aggressors have pushed us. Here I don't think that people who have committed criminal acts have not always been in command of themselves, but I'm speaking about motives, about passions, and a smouldering evil that has burst into flame.... And for that, you will allow, neither the Croatian police nor the government of the Republic of Croatia is guilty. A country where the citizens are prone to crime is not Croatian, nor will such actions against the interests of citizens and the state continue. Croatia is a country at war, and what happens in war is what has been happening from time immemorial up to today.

[Plese] How many policemen have been killed so far?

[Vekic] About 400 active and reserve policemen have died up to now; we are listing 16 policemen as missing, and about 2,000 policemen have been seriously or less seriously wounded.

[Plese] There have been indicators of late that uniformed persons have committed a significant number of criminal acts. To be sure, it is often confirmed that they are not members of the police or the Croatian army, but criminals who have obtained uniforms in various ways. What is your information about this?

[Vekic] I don't want to conceal information relating to the Croatian police. Some 155 active emergency policemen took part in carrying out a number of criminal acts, and measures by police authorities, provided for by law, have been taken against them. I must say that discipline has been insisted on within police ranks from the beginning, but especially of late, so that the number of punishable acts has diminished steadily, and I expect that they will soon be reduced to zero. In a word, the training that the police receive is one of the reasons that they commit much fewer criminal acts than other official personnel.

[Plese] Based on newspaper reports, it could be concluded that the situation is very difficult in large cities like Osijek, Zadar, Karlovac, and Sisak. Is there much crime, revenge for the planting of explosives?

[Vekic] According to our information, we could add Gospic to your list. Our findings indicate that you're right in everything, because we could place most of the criminal acts right in those cities. From the standpoint of the police, it is very important to mention that these are cities that are at the very edge of the battlefield, and these are cities in which, and near which, the enemy has committed horrible crimes against the civilian population. These are cities that have not been abandoned; a good part of the inhabitants have remained in them. It is logical that in such cities, into which people of various kinds come, from exiles and victims to war wounded, where there are funerals every day, where the most dangerous thing is to go out of the house, where a stroll along the street ends in death, violent destruction results in incidents that are more in the domain of the psychological relationship of man with the crime of someone he sees, of someone that he puts up with himself, than they are within some normal standards. That is not my justification for perpetrators of criminal acts; I am the last man who would justify them, but that is an attempt at a visor through which we must look and through which those who ask us what is happening to us there must look. I needn't convince you that the police power is concentrated, to the extent it's possible, right in those cities. But, there are also paramilitary units there, and persons who do not belong to any army, but they're in uniform and they're armed, and engaged only in crime. We have all that there, and we're struggling with it to the extent it's possible. Many of those perpetrators have been deprived of their freedom, many have been tried, and if they've all been jailed or haven't, and if they'll be sentenced or they won't, you will allow, that's no longer the responsibility of the police.

[Plese] As the situation is calming down to some extent, in the war sense, so rumors are heard that the number of terrorist actions is increasing against Serbs who live in urban centers. Do you have valid information about this?

[Vekic] The abatement of war operations gives the police greater and more difficult tasks. In peace, or the relative truce that now prevails, the police's job is not only to ensure that new criminal acts are not committed but to locate the perpetrators of criminal acts that were committed when the police did not have sufficient power or men to locate them. And so the incidents are now multiplying, because many are only now being revealed. It is correct that the targets and victims of criminal acts are citizens of Serbian nationality. And that is one of the consequences of the situation in which we find ourselves. But, many Serbs from some areas of Croatia have joined terrorists and Chetniks. So when one speaks about moving out this must be kept in mind. We can check every person who has moved, and we will determine who has been forced to move. There are people who have moved out of fear, not under direct force, but because of a psychosis that some are equal to, and some not. Some people are aware of the fact of what is happening, that passions aroused by crimes committed against the Croatian population cannot be quieted on the narrow area of the battlefield but that they will spread so that people, possibly even they, who have not hidden anything could become victims of aggression. But, I must tell you that many Serbs have gone with rifles in their hands to participate in the armed rebellion against Croatia. And when someone speaks of 10,000 people moved by force, I say that this is not completely true. The number of people who have had to leave Croatia because of a direct threat is much smaller than is said in public. We have found hidden weapons in many places, even in Zagreb, which should probably have been used in certain situations or if the front approaches the very city of Zagreb. Therefore, there are pressures, the populace is uncertain, there's no doubt, but it's an exaggeration to claim that all persons of Serbian nationality who have left Croatia did so under pressure and because of threats. There are those who have left of their own will to fight

against Croatia. For example, in Osijek some judges and prosecutors of Serbian nationality left the city, while at the same time some judges and prosecutors of Serbian nationality stayed. Some of those who left became some kind of ministers in so-called Krajinas, others are now judges in Dalj, Trpinja, Beli Manastir. If they have any problems, citizens of Serbian nationality can always turn to the police, who will try their best to protect them. But let those who are now returning, who were gone for four or five months, if it is proven that they participated in the armed rebellion, not complain or seek protection.

[Plese] How is the Ministry of Internal Affairs preparing itself for the arrival of the blue helmets?

[Vekic] The blue helmets will be armed with infantry weapons; they will not participate in military operations, but will use their weapons exclusively for repelling attacks. Police observers are even coming unarmed. And their task is twofold: in areas where they will control internal order, to see that police forces are not hindered in performing their duties and, on the other hand, to observe that local police forces do not abuse their power or exceed their authority. We have had very concrete discussions with the gentlemen who will participate in those operations, and I think that we have worked out the techniques of the cooperation to a great extent.

[Plese] What will become of those who are now carrying out police affairs in areas that are occupied by the Yugo-army and Chetniks?

[Vekic] In connection with this, I have ordered that all operative-criminalistic and technical processing of all former policemen who committed acts against legal order and constitutional organization be completed by 15 February, so that none of them, let's take as an example one Milan Martic, will be able to become a member of the police, since they are criminals who will be brought to trial. All those who now work as usurping Krajina militiamen have no working relationship with the MUP of Croatia, and will not be able to be custodians of order and peace. The Cavtat, Slunj, Topusko, Drnis, Kijevo, Glina, Kostajnica, Petrinja, Beli Manastir, Ilok, Tovarnik, and Vukovar police stations will not be established but will be simply returned to functioning since they were driven out of these areas by force. The same is true for the Slano, Dubrovac airport, Vrlika, Oklaj, Krusevo, Polaca, Lisane, Pridraga, Lovinac, Plaski, Dreznik, Cetingrad, Saborsko, Dubrica, Kozibrod, Vidusevac, Pokupsko, Jasenovac, Nustar, Lipovac, Nijemci, Jankovci, Dalj, and Ernestinovo police branches. Our police units will be placed in the vicinity of their former stations, so that they will immediately be able to return to functioning. The criminalistic processing of citizens for whom it is assumed or there are indications that they committed punishable acts in temporarily occupied areas will also be completed by 15 February, so that these citizens will also not be considered when new police members are selected. The national structure of the population and the proposal of a district with special status in the selection of local police forces will be respected.

[Plese] What will the task of the MUP be like for the arrival and placement of the blue helmets?

[Vekic] We will control and regulate traffic in directions where the blue helmets will arrive and be placed, we will also physically guard the blue helmets and their facilities, as well as police observers, from attack. It is foreseen that 25 unarmed police observers will come to each police station in areas under UN control. These observers will be placed in the police stations or in their immediate vicinity.

[Plese] What will our police units undertake first, after the JA [Yugoslav Army] and paramilitary units withdraw from Croatian territory?

[Vekic] Primarily the disarmament of all those who have not withdrawn, then the retrieval of discarded or hidden weapons. Then they will engage in inspection and other functions in order to determine the perpetrators of crimes in the area and to gather documentation. Here we foresee a significantly increased volume of work and at the same time it is worthwhile to initiate specialized training of police members for the affairs of maintaining public order and peace, for traffic control, and establishing public records. The duties of the border police and the Service for the Protection of Constitutional Order are excepted from the affairs of the local police. On the basis of the Constitutional Law, maintaining and controlling the state border are not performed by local police but the MUP. Checkpoints will be opened at border crossings with Serbia, Montenegro, and Bosnia-Hercegovina, and our units will patrol along all the borders of Croatia and, naturally, any area where the possibility exists of a territorial threat to the Republic of Croatia.

Campaign Promises, Fair Elections Discussed

92BA0485C Zagreb DANAS in Serbo-Croatian 4 Feb 92 p 22

[Article by Kresimir Dzeba, vice chairman of the Croatian National Party: "For Fair Elections"—first paragraph is DANAS introduction]

[Text] It is characteristic of omnipotent statesmen that, like Lot's wife, they dare not look back, or else they will see the horrible image of the graveyard of their unfulfilled prophesies.

Drawing up a balance sheet of the fulfillment of election promises by the HDZ [Croatian Democratic Community] would make for cruel and lengthy reading. Even though we are political competitors, we are still not enemies to such an extent that we would go in for such merciless practical jokes. And why should we? The political experience of our citizens has not yet reached the level where they would split hairs in recalling promises made by politicians and demanding that they

account for themselves. In developed democracies, voters know what politicians will do if they win their confidence; for example, that Mrs. Thatcher will privatize state-owned companies or that Ronald Reagan will lower taxes. Our political public, brutally held in check over the course of decades of communist dictatorship, still lacks this awareness of its own importance. It accepts election promises as nonbinding rhetoric, primarily for entertainment value, so that it does not even occur to it to ask politicians what happened to the famous Croatian flag in Romania, where the golden torrent of foreign capital is that was supposed to saturate the desert of our economy, what happened to the promised privatization of enterprises, which was suddenly transformed into general nationalization, where the mythical average wage of $2,000 is (I guarantee that this alluring topic will appear again in the next campaign!), why the notorious political police have not been abolished, and all sorts of other things.

Ultimately, every bad turn does not lead to another, which is also true of unfulfilled election promises. For example, the HDZ promised a sovereign Croatia within the framework of a confederal Yugoslavia, and even worked on this project zealously during the first half of last year, while now we can thank God that this was not accomplished. We have achieved an independent and internationally recognized Croatian state, thanks to the general trend of fragmentation in unnatural communities, such as the USSR and Yugoslavia, through which the geopolitical map of the world is enriched by around 20 new states, but thanks also to Croatian soldiers, who through their bravery and sacrifices "corrected" the short-sighted projects of politicians, not believing their assurances that there would be no war.

The well-known U.S. economist Paul A. Samuelson has lumped together into the variegated society of modern-day prophets "gypsies who read tea leaves, Wall Street sorcerers, diagram technicians, heads of major business chains who rely on their own intuition, and omnipotent statesmen." Characteristic of all of these people is that, like Lot's wife, they dare not look back, or else they will see the horrible image of the graveyard of their unfulfilled prophesies. My biggest incentive to abandon all prophetic ambitions, however, has come from our "leaders," who have gained personal experience in how predictions are most uncertain when one must specify the time and precise outcome of future events. It suffices to recall the outcome of their prophetic attempts when they maintained that "there will be no war," that the blue helmets would come for "15 days," that "the war will be over by Christmas" (granted, it was not said exactly which Christmas, which is itself a Pythian skill), that "it is a matter of days and weeks" before Croatian sovereignty is established in crisis areas such as Knin and Glina, and a multitude of other predictions. Such a large number of unfulfilled prophesies by our "leaders" is more than enough reason for any person to lose all prophetic ambitions, provided that he is serious enough to not want to earn a reputation as a mystifier or, better yet, a hopelessly short-sighted politician.

If we are already talking about the outcome of the next elections, then I must acknowledge this: Given the fact that the HDZ leadership has demonstrated extraordinary skill in predicting that which will not happen, I am always filled with particular optimism by each of their declarations about how they will win the next elections.

What seems to me to be more important right now than appraising the results of HDZ rule and predicting the outcome of the announced elections are efforts to guarantee what the Americans call "fair elections." Many symptoms indicate that the elections that await us could be dirtier than those organized by the communists in 1990, unless these attempts are opposed by the Croatian democratic public in a timely and decisive fashion.

For now, let us leave aside our conviction that it is inappropriate, and even distasteful, to go into elections while the Damocles' sword of war is still hanging over Croatia, while a third of the state's territory is occupied, and while 700,000 people have been driven from their homes. I only want to call attention here to the fact that the HDZ is entering into the election campaign with a multitude of privileges, many of which are untenable, even if we keep one eye firmly shut. If we accept it as "normal" that the party in power makes liberal use of the ability to specify the time of the elections and the electoral law in the way that best suits it, then this cannot be said, for example, about the transformation of Croatian Television into a subservient propaganda instrument for the present-day government, a "cathedral of totalitarian spirit" and promotor of the new monolithic thinking, instead of being a medium for democratic dialogue and for providing citizens with objective information on all political options, in order that they can freely and rationally declare their support for whomever they believe expresses their interests. How are we to interpret the fact that in December of last year, the president of the republic announced, almost in the same breath, the end of the war "by Christmas" and new elections, but also presented new "wartime decrees" that diminish the rights and liberties of citizens even further? Is the purpose of these decrees to make the conduct of the war (whose end was announced) more efficient, or to frighten the citizens and opposition parties on the eve of the elections (which were also announced)? Instead of deceitful prognoses, the subject of fair elections must be put on the agenda, and the citizens must be left alone to freely reach a decision on the options for the future of Croatia offered to them on equal terms, without fear and information deprivation.

This is not "whining," but rather a timely warning. As far as the HNS [Croatian National Party] is concerned, as the largest opposition party and thus the party most responsible for the democratic development of Croatia (because there is no democracy without a strong opposition), rest assured that we will find ways to ensure fair and equal elections, even if it means asking for help from the world's democratic public, on behalf of which I will personally intervene in an extreme case.

Draft Proposal on Territorial Divisions

92BA0471A Zagreb VECERNJI LIST in Serbo-Croatian 2 Feb 92 p 2

[Text] According to the draft proposal of the law on parishes, Croatian territory should be divided into 17 parishes. The draft proposes the following:

1. The parish of Vukovar located in Vukovar encompasses the municipalities of Vinkovci, Vukovar, and Zupanja.

2. The parish of Osijek located in Osijek encompasses the municipalities of Beli Manastir, Donji Miholjac, Djakovo, Nasice, Orahovica, Osijek, and Valpovo.

3. The parish of Pozega located in Pozega encompasses the municipalities of Nova Gradiska, Pakrac, Pozega, and Slavonski Brod.

4. The parish of Virovitica located in Virovitica encompasses the municipalities of Daruvar, Garesnica, Grubisno Polje, Podravska Slatina, and Virovitica.

5. The parish of Bjelovar located in Bjelovar encompasses the municipalities of Bjelovar, Cazma, Djurdjevac, Koprivnica, Krizevci, and Vrbovec.

6. The parish of Varazdin located in Varazdin encompasses the municipalities of Cakovec, Ivanec, Ludbreg, Novi Marof, and Varazdin.

7. The parish of Krapina located in Krapina encompasses the municipalities of Donja Stubica, Klanjec, Krapina, Pregrada, Sveti Izvan Zelina, Zabok, and Zlatar Bistrica.

8. The parish of Karlovac located in Karlovac encompasses the municipalities of Duga Resa, Jastrebarsko, Karlovac, Ogulin, Ozalj, Slunj, Vojnic, and Vrginmost.

9. The parish of Sisak located in Sisak encompasses the municipalities of Dvor, Glina, Ivanicgrad, Kostajnica, Kutina, Novska, Petrinja, and Sisak.

10. The parish of Pazin located in Pazin encompasses the municipalities of Buje, Buzet, Labin, Pazin, Porec, Pula, and Rovinj.

11. The parish of Rijeka located in Rijeka encompasses the municipalities of Crikvenica, Cres-Losinj, Cabar, Delnice, Krk, Opatija, Rijeka, and Vrbovsko.

12. The parish of Gospic located in Gospic encompasses the municipalities of Gospic, Otocac, Pag, Rab, Senj, and Titova Korenica.

13. The parish of Zadar located in Zadar encompasses the municipalities of Biograd, Benkovac, Donji Lapac, Gracac, Obrovac, and Zadar.

14. The parish of Sibenik located in Sibenik encompasses the municipalities of Drnis, Knin, and Sibenik.

15. The parish of Split located in Split encompasses the municipalities of Brac, Hvar, Imotski, Kastela, Makarska, Omis, Sinj, Solin, Split, Trogir, Vis, and Vrgorac.

16. The parish of Dubrovnik located in Dubrovnik encompasses the municipalities of Dubrovnik, Korcula, Lastovo, Metkovic, and Ploce.

17. The parish of Zagreb located in Zagreb encompasses the city of Zagreb and the municipality of Dugo Selo.

Macedonia

Foreign Minister Maleski on EC Recognition

LD1602205992 Belgrade TANJUG Domestic Service in Serbo-Croatian 2000 GMT 16 Feb 92

[Text] Skopje, 16 Feb (TANJUG)—Macedonian Minister for Foreign Relations Denko Maleski this evening called on all foreign ministers of the EC countries to recognize Macedonia's independence tomorrow.

In his letter Maleski recalls that the EC decisions and the international recognition of former Yugoslav republics marked the end of the Socialist Federal Republic of Yugoslavia. The federal structure, the Macedonian Foreign Minister says in his letter, advocates interests of only one part of the former Yugoslavia and cannot be considered a legal representative of the Republic of Macedonia.

The recognition of its statehood represents a precondition for the Republic of Macedonia to respond to its internal and European obligations. Maleski goes on to say that Macedonia needs support from the European Community. Postponement of recognition of the Republic of Macedonia will create problems and cause damage, because the republic is thus deprived of the chance to communicate with European states, institutions, and organizations on an equal basis.

Macedonia's standpoint is, Maleski further says, that for the first time in the history of the region there is a chance for countries to unite on the basis of the principle of democracy, dialogue, human rights, and market reforms. The Republic of Macedonia, Denko Maleski stresses in his letter, will continue to work for a negotiated and lasting solution of the crisis in the former Yugoslavia.

"We express our readiness to cooperate with the Greek Republic, an EC member and a country which ought to be developing new European principles on the Balkans. We are ready to talk about the content of our relations and remove all barriers on the way to full cooperation."

The Republic of Macedonia, Denko Maleski says, is ready to give assurances that it has no territorial pretentions toward Greece and that it will not interfere in Greek internal affairs. It is however humiliating to condition the process of dialogue and cooperation with the change in the name of the Republic of Macedonia.

"We simply have no other name in reserve, nor have we thought about it in the past," Maleski adds.

Concluding his letter to the EC foreign ministers on the eve of tomorrow's meeting in Lisbon, Denko Maleski stresses that Macedonia's goal is to contribute toward the creation of open and democratic Balkans, which could play a role in developing stability in Europe.

Army Begins Withdrawal; Police To Monitor

LD1702174192 Belgrade TANJUG in English 1634 GMT 17 Feb 92

[Text] Kumanovo, Feb 17 (TANJUG)—The Yugoslav People's Army (JNA) has begun withdrawing from Macedonia under a decision taken by the Presidency of Yugoslavia on the federal army's 'provisional dislocation' from that republic which has proclaimed independence.

Roughly 300 military vehicles carrying military equipment drove past Kumanovo on the Skopje-Belgrade motor road today. The convoy, comprising quite a few civilian trailers, military trucks, tank-trucks, medical and other vehicles, had all the papers in order and continued on towards the Republic of Serbia.

The Macedonian Government has placed the republican police in charge of controlling the movement of the JNA convoys. No JNA convoy can leave the territory of Macedonia without permission from the Macedonian police.

TANJUG reporters in Bitolj, Stip and Titov Veles have sent in reports about smaller JNA convoys. The number of military and civilian vehicles used by the families of JNA personnel to move northwards has risen as of yesterday in the Macedonian capital of Skopje.

The Presidency of Yugoslavia three days ago decided that the JNA units and institutions 'provisionally dislocate' from the territory of Macedonia 'until a definitive accord on the solution of the Yugoslav state-political crisis.'

The Yugoslav Presidency, as announced, took the decision after establishing that,'contrary to the constitutional-legal system of Yugoslavia, Macedonia has not been sending recruits and conscripts to the JNA, has passed its own law on defense, has stopped to finance the budget of the federation and the needs of the JNA, has adopted acts on the creation of its own state, and has actually been behaving as a sovereign state in the process of international recognition.'

Macedonia requested recognition from the European Community last December. It has not been recognized by the E.C., however, but instead only by Turkey and Bulgaria.

Assembly Adopts Defense Law

LD1402204792 Belgrade TANJUG Domestic Service in Serbo-Croatian 1937 GMT 14 Feb 92

[Excerpts] Skopje, 14 Feb (TANJUG)—The Macedonian Assembly adopted the defense law in an emergency session this evening. The law envisages that the defense system will defend the republic's territorial integrity and sovereignty. Defense will be financed from the republican budget and military service will last nine months. [passage omitted]

Macedonian Foreign Affairs Minister Denko Maleski submitted a report on the republic's international activity regarding recognition of its independence. Denko Maleski also said Macedonia welcomed the decision to resume the conference on Yugoslavia, but now from the position of a sovereign and independent state.

After it was noted that the discussion on Macedonia's foreign policy was being held in a half-empty hall, Macedonian Assembly President Stojan Andov ended the session this evening and postponed its resumption until 1000 tomorrow. [passage omitted]

Assembly Discusses Diplomatic Activities

AU1502180392 Belgrade Radio Beograd Network in Serbo-Croatian 1400 GMT 15 Feb 92

[Text] The Macedonian Assembly today is discussing this republic's international activities. Democracy and international recognition do not go together with misery and poverty, it was said, and the government has still not yet offered any concept of economic development. Let us here our correspondent, Boris Djordjioski, from Skopje:

[Begin Djordjioski recording] Today's resumption of the session that was interrupted last night is symbolized by a not exactly constructive debate on the international activities of this republic, or, more precisely, what has been achieved and what is yet to come regarding international recognition.

Depending on party affiliation, the deputies either approved of or challenged what has so far been done by the Macedonian leadership and diplomatic service. There was criticism from the ranks of the VMRO [Internal Macedonian Revolutionary Organization] that Macedonia now looks like a watch tower that is neither in the sky nor on the ground. The party also doubted the ability of the leadership to know how to do more than what it has done so far.

The leadership that has advocated the Yugoslav option and even an alliance of sovereign Yugoslav states and a loose confederation has with its indecision and expectations reduced the chances of Macedonia being internationally recognized more quickly. The demand, if recognition is desired, is to break all remaining links with the former Yugoslavia as soon as possible.

Independent Deputy Todor Petrov [words indistinct] of parliament like at a market. Thessalonika is the capital city of Macedonia and Greece is only the area around Athens. Assembly President Stojan Andov reacted fiercely to such dubious statements.

VMRO was criticized in the debate for having half of Greece sketched on its symbols and flags and for intending to hold the second congress of this national party in Thessalonika.

Some Albanian deputies think that Macedonia is conducting a national and not a state policy. The Albanians came out in favor of cohabitation in Macedonia, which has no alternative, but they hold another card of achieving political and territorial autonomy, that is to say, the breaking up of the integrity of Macedonia.

These unresolved interethnic relations and the economic and social situation, which is catastrophic and is getting worse, are a cancerous wound of the Macedonia situation. This was the conclusion of Branko Crvenkovski from the ranks of the Social Democrats. Democracy and international recognition do not go together with misery and poverty and the Macedonian Government has not yet even offered any concept of economic development.

Ljubisav Ivanov wondered where all the Serbo-phobia of some deputies came from and why friends were being made into enemies. We do not have to agree with some peoples' policy but this does not give us the right to lecture others and break off economic relations and currents.

The debate continued in the Assembly of Macedonia about half an hour ago, after the recess. [end recording]

Extremists Block Barracks, Demand Protection

LD1402223992 Belgrade TANJUG Domestic Service in Serbo-Croatian 1650 GMT 14 Feb 92

[Text] Vranje, 14 Feb (TANJUG)—A group of some 50 members of the Serbian Radical Party [Srpska Radikalna Stranka - SRS] and the Serbian Chetnik Movement [Srpski Cetnicki Pokret - SCP] blocked the entrance this morning to the barracks of Sima Pogacarevic in Vranje, the Yugoslav People's Army [JNA] headquarters of this town's garrison. The members of these parties are demanding that the JNA protect the Serbs who live in the Skoplje area of Montenegro and Kumanovo, and the Kumanovo valley in the territory of Macedonia. JNA representatives talked to a three-member delegation in the absence of the press. Following these talks in the barracks, the SRS and SCP leaders held a news conference. In their words, they visited the Vranje barracks because this is the last JNA stronghold in southern Serbia. They, as they cite, have demanded protection for "about 400,000 Serbs in Macedonia." At the same time, they are advocating that the JNA's heavy and light weaponry as well as its entire equipment and combat hardware should be pulled out of Macedonia.

Serbia

German Envoy Comments on German-Serb Relations

92BA0480B Belgrade BORBA in Serbo-Croatian 4 Feb 92 pp 17-18

[Interview with Hansjerg Eif, German ambassador to Yugoslavia, by Snezana Bogovac; place and date not given: "We Want Friendly Relations With Everyone"]

[Text] [Bogovac] Is the recognition of Slovenia and Croatia the last move of German policy in Yugoslav space for the present?

[Eif] No, but I must clarify that move once again in a broader context of our relations with Yugoslavia as we would like to have them in the future. Fruitful, mutually important relations in all fields have developed in recent decades between the Federal Republic of Germany and Yugoslavia as a whole and all its nationalities and republics, and until quite recently they were constantly on the rise. Germany was at the same time always advocating a broadening of Yugoslavia's ties with the EC and supported introduction of the market economic system and pluralistic democracy in Yugoslavia.

Fundamental political changes have occurred in Yugoslavia quite recently, brought about by conditions within Yugoslavia. Some of the nationalities opted for independent states within present borders. The German Government has a duty to respect those decisions in keeping with the commitments it undertook as part of the Conference on European Security and Cooperation. So, we have only reacted to developments within Yugoslavia, and we will not go into the question of who bears more responsibility than others for the development which brought about the situation which the Arbitration Commission of the Conference on European Security and Cooperation interpreted as the process of Yugoslavia's disappearance. Our position is still that Yugoslavia exists as a remnant.

[Bogovac] Even though two important parts of it are lacking?

[Eif] We had to react to the desires of several nationalities of Yugoslavia for independence as a state within existing borders. Those nationalities had to be guaranteed exercise of that option by peaceful means. There must also be guaranteed protection of the rights of members of other Yugoslav nationalities in what until recently were republics and which have now opted for independence or will do so.

Just as in the decade since World War II, the German Government still desires friendly relations with all the nationalities of what has been Yugoslavia, and that means in the same manner and by the same standards for everyone. In continuing our policy, we are particularly ready to support all the heretofore Yugoslav republics in joining the EC. That also applies to German policy

toward Serbia. The German Government is prepared to develop relations with Serbia if the preconditions for that also exist on the Serbian side.

The reasons for our particular involvement in the recognition of Slovenia and Croatia were the circumstances of the war, which for the present, fortunately, do not exist in Bosnia-Hercegovina and Macedonia, but which have also sought recognition. For the present, we see no reason to broaden this process. We are examining the present problems, but we are resolved, as are others, to recognize in principle all republics which desire it. At present, we do not wish to make more difficult the process of finding solutions in those republics and in their relations.

[Bogovac] Do you not think that it can be said at least that Germany has not been sufficiently sensitive in its policy toward Yugoslavia up to now?

[Eif] Sensitivity presupposes a relation between the two partners, and there are times when the expectations of one partner are different from what the other understands or can offer.

The impression that the Army is waging war against its own people here was obviously more crucial for German society than for any other societies in Europe. In that situation, our people could not have any other opinion. Because we are a democratic country, this was reflected most directly in policy. The people living in Germany, especially young people, because older ones perhaps do not see it that way or feel it that way, know that we are a pronouncedly antimilitaristic society.

The Germans Did Not Invent the Division of Yugoslavia

In Germany, now that you have mentioned sensitivity, there is immense sensitivity for the desire of peoples for independence. We all, of course, have notions as to how certain things might have been done more sensibly. We did not invent the division of Yugoslavia. Even today we feel that it would be simpler for us if Yugoslavia could have been preserved and, like other states, for example, Hungary or Czechoslovakia, brought into the European Community as rapidly as possible. There is, of course, a tragic element in that now all of that will no longer be possible as it was earlier, when Yugoslavia had advantages over all the former socialist countries....

[Bogovac] Which is no longer the case with its parts?

[Eif] We had no right whatsoever to say that Yugoslavia must survive because that is more sensible or because some part of you wishes it. As a partner in Europe, we had to try to help the process, which had already begun here, to culminate in a rapid and peaceful solution. An important factor which does not have a role in the other countries mentioned, is the fact that there are 600,000 people living in Germany who come from the Yugoslav space and whom no one ever asked whether they were Serbs, Croats, or Albanians. For Germans, they were simply Yugoslavs, we had one picture of them, oversimplified to be sure, whose essential feature was the fact that these people lived on the Adriatic, i.e., in Croatia.

I would also recall the fact that the German parliament unanimously adopted a resolution in November calling upon the government to recognize Slovenia and Croatia as soon as possible. I think that the deputies do not cast unanimous votes even on raising their own salaries.

[Bogovac] Do you also think, as certain Serbian diplomats have been telling us unofficially, that German-Serbian relations are "at the bottom," so bad that they could not be worse?

[Eif] No, I would not say that. After all, you have to look at what relations are involved. I think that relations between our peoples were never worse at any point. There are some prejudices on both sides, and people realize what is actually happening. There is, of course, a need for normalization and for improvement of relations.

[Bogovac] Did you return from Bonn with more definite ideas about how that should be done?

[Eif] We now have specific problems ahead of us. First, there are the sanctions of the EC, which are still in effect only for Serbia, and the measures which only Germany undertook, for the same reasons as the EC. No one takes such measures only for himself, nor do we like them, and we are ready to discontinue those national measures as soon as possible and insofar as it is in our power, and also to operate within the EC to terminate the joint measures.

A prerequisite for that will be that the cease-fire signed between Croatia and Serbia under the supervision of Cyrus Vance will continue to be respected, that the peace which has been initiated is further consolidated. This also includes Serbia's constructive cooperation in the Peace Conference on Yugoslavia.

Disappointment Because of the Unity of the EC

[Bogovac] What comes after initial normalization of relations?

[Eif] For the further constructive development of Serbo-German relations, that is, then, what goes beyond normalization, it will be important that Serbia, consistent with the principles elaborated by the conference on Yugoslavia, distances itself from possible plans to annex parts of the territories of the previous Yugoslav republics by unilateral measures, they need not be exclusively with tanks, to some future state of Yugoslavia. This applies both to Croatia and also to Bosnia-Hercegovina or any other region. Also related to the further development of relations will be the extent to which autonomy and national rights are authentically guaranteed to the minorities that live in Serbia. This applies above all to the Albanians in Kosovo, but also the situation in Vojvodina.

I have stated this in my meeting with President Slobodan Milosevic and Vladislav Jovanovic, the foreign minister, conveying the message of Hans Dietrich Genscher. I also expressed to them our interest in improving relations with Serbia, and our desire and readiness to do that.

[Bogovac] What are the areas in which relations might be normalized most rapidly or most simply?

[Eif] The desire to discontinue the sanctions was expressed above all on the Serbian side, which is understandable. I stated everything that must precede that. A distinction needs to be made, however, between what governments can do directly and what a government can only influence, or not even that.

If you are seeking a specific answer, on the German side discontinuation of the sanctions comes first under consideration, and then reinstatement of the Hermes guarantee on export transactions.

[Bogovac] Do you consider it essential which side takes steps first in the direction of rapprochement?

[Eif] The word "step" is perhaps not the right one, because we are in a process, and there are a number of steps. So, the essential thing is not who does what first, but that the climate improve. I believe that the situation has become clearer since the recognition of Slovenia and Croatia and that they are beginning to look at things here with more realism and soberness.

There has been a certain disappointment here, I think that this must be frankly stated. There was speculation that the EC would not be willing to act in concert, but it demonstrated the opposite. The EC did not fall apart on this issue. But the fact that Germany was particularly vigorous on the question of recognition does not mean that it feels a greater affinity for certain parts of Yugoslavia than for others. As an ambassador who has spent seven years here and who has a good understanding of German-Yugoslav relations, I repeat that there are no essential differences for us.

The End of Confidence in the Serbian Leadership

[Bogovac] Are interests different now?

[Eif] Our interest is entirely the same as it was a year ago or five years ago, and that will certainly be the case over the next five. What we are interested in is that this entire space which encompassed Yugoslavia or perhaps will embrace it some day be included in the European process of integration in the most harmonious and peaceful manner possible and, if possible, as a whole. The fact that the Yugoslavs are unable to do that together at present is related to circumstances for which we are not responsible and for which we cannot be responsible. That is what I told Minister Jovanovic.

Whenever it is said that the Germans were "anxious" for this country to fall apart, I say that, on the contrary, the cause was that not a single nationality in Yugoslavia, except perhaps to some extent the Montenegrins, any longer had confidence in the Serbian leadership. That is in fact the opinion clearly expressed in the resolution of the Bundestag. Some people may not like that, but that is a fact one must live with.

[Bogovac] It is also felt in Serbian diplomatic circles that the deterioration of the position of Serbs in Germany is also an obstacle to improvement of Serbo-German relations.

[Eif] That problem concerns me particularly, although I am not a representative of Yugoslavia in Germany, but the other way about, or perhaps for that very reason. I am convinced that it is not easy today for the Serbs in Germany, nor anywhere in Europe, wherever they live together with other Yugoslavs, above all with Croats. Difficulties have arisen in this regard. That is, they do not exist, or are minimal, in relations between Germans and Serbs. I can imagine that a Serb who has not been living here long and who does not feel particularly loyal to some of the political directions here cannot be overjoyed with what he reads in the German press. There are certainly many cases when ordinary people are psychologically in a very complicated situation, when they feel uncomfortable.

But ask your correspondents and diplomatic representatives in Bonn, ask Bishop Konstantin in Himmelstier, whether there have been cases of Serbs discriminated against in Germany? I have asked several times, we recently asked the bishop, and there have been no specific examples. What is probably happening is that all those who create problems in the workplace because of ethnic disagreements, and they have been occurring, are told by their employers that they could lose their job for that reason. I would really be interested to know whether there are specific cases of discrimination against Serbs, and I said so to Minister Jovanovic.

[Bogovac] Are deliveries of weapons from Germany to Croatia an obstacle to improvement of relations between Serbia and Germany?

[Eif] That is certainly a problem, although it is essential to refer to them as alleged, because we have investigated all the assertions so far, and in no case has it turned out that they were true.

Or the present story of "Leopard" tanks. President Milosevic has been very fair when he said that there are reports that German firms have been delivering weapons to Yugoslavia, but that he himself is not saying that the German Government is responsible for that. I am only asking that the firms and evidence be furnished.

Opposition Party Defends Krajina's Babic

AU1702165492 Belgrade Radio Beograd Network in Serbo-Croatian 1400 GMT 17 Feb 92

[Text] In the view of the Serbian National Renewal, the decision of the assembly in Glina to replace Milan Babic

is illegal, as are its previous decisions. This was stated by Mirko Jovic at a news conference organized by his party. Radovan Pantovic reports:

[Begin Pantovic recording] The Serbian National Renewal considers the assembly in Glina a consultative gathering, or, as stated, a fabricated Bolshevik trial. Mirko Jovic pronounced the government and the president of the Republic of Serbia responsible for the decision made in Glina and warned that such moves are creating a danger of an inter-Serbian clash in Krajina.

Commenting on the collection of signatures for setting up a constituent assembly and the resignation of the president of the republic organized by the Democratic Party, he said that the Serbian National Renewal has not taken a stand yet, but will soon present its views.

Mirko Jovic, president of the party, expressed his own view, saying that the demands by the Democrats are justified for several reasons. He mentioned the following as the mistakes of the president: the abandoning of Krajinas; a benevolent stand toward Macedonia; the missed opportunity to assemble the most capable people in the government; and the creation of Yugoslavia out of Serbia and Montenegro.

The party will consider whether to take part in the rally of the Serbian Renewal Movement on 9 March only if it is officially invited. Mirko Jovic repeated the demand for the creation of a national salvation government. He also stressed that the Serbian National Renewal remains the only monarchist party. He called the leaders of the Serbian Radical Party and their views on monarchy not serious. [end recording]

Prime Minister Bozovic on Relations With Krajina

AU1702210092 Belgrade RTB Television Network in Serbo-Croatian 1830 GMT 17 Feb 92

[Interview with Radoman Bozovic, prime minister of the Government of the Republic of Serbia, by Maja Vojinovic; place and date not given—recorded]

[Text] [Vojinovic] You probably know that signatures are being collected among the citizens for the replacement of the authorities, that is to say, the presidents of the republic and the government. What is your comment about this?

[Bozovic] Actually, I see the exertion of pressure on the authorities that were legally elected in multiparty elections through a petition as the signatures of citizens who otherwise gave their vote to the opposition. Therefore, this is relevant for the opposition, which perhaps wants to check to what extent the voters have remained loyal to it. However, I think that this is not an institution that matters in the process of taking power in a pluralist democracy.

[Vojinovic] Talking in fact about whether this is an institutional or an extra-institutional instrument, what stand will the government take toward the announcement by the opposition that it will do everything possible to replace the current regime, and that the pressure will last until the authorities fall?

[Bozovic] No one can place a question mark over institutions nor carry out violence against public or private interests of the citizens and the republic under the pretext of democracy. Therefore, we will do everything in the power of a law-governed state to prevent all forms of violence against people and all manner of provocation of, I would say, unrest and other kinds of consequences of such actions.

[Vojinovic] Considering that these are topics that the present government has been dealing with to a much lesser extent in its short term of office than with some other issues—that is to say, some other things that this government has done are obvious, but its political activity is not so evident—is this a political stand of the government, or is this simply what a law-governed state presupposes? [question as heard]

[Bozovic] Now that the resolution to the Yugoslav crisis in which the interests of Serbia and the Serbian people as whole are protected is becoming increasingly reachable, an attempt is being made through these aforementioned activities to destabilize Serbia from within. This serves the interests of those who think that it is not good to have a stable and independent state on this territory.

Therefore, I consider some initiatives that have been launched by the opposition as an attempt to conceal the absence of its own initiatives and programs for settling the general crisis by trying to endanger the climate, which in my view is a positive climate and framework for the settlement of the crisis.

There has been a lot of speculation as to whether we have lost anything in this situation and what that might be. Where do the interests of Serbia and the Serbian people lie? It seems to me that this should be clearly stated. An ordinary citizen can realize that this approach and policy of the Republic of Serbia and its government have in fact created the conditions for a settlement of the Yugoslav state crisis that is not to the detriment of Serbia and the Serbian people as a whole.

[Vojinovic] What is your comment on the current situation concerning Krajina and Vance's plan, including what happened today?

[Bozovic] I think that it is nothing but speculation and a falsehood to interpret the acceptance of Vance's plan as letting down the interests of Krajinas and to impose the question of what has been lost. Not only have the Krajinas not been lost, but the Serbian Krajinas have been defended. This has, however, been done with many victims that these people have suffered.

The Krajinas should now be defended with peace, because when we supported them in defending their territories and hearths and against the violations of the Croatian authorities, our opposition was accusing us of conducting a war and called for desertion.

Now that, with the involvement of the international organization, the defense of the interests of the Serbian people as a whole and the Serbian people in Krajina through peace is in sight, Krajina is, I would say, provoking clashes between Serbia and the Serbian people as a whole with the international organization, which in our view endangers the essence of the interests of the Serbian people.

[Vojinovic] In this context, how true are the announcements by Milan Babic that Serbia will block economic and other help to Krajina because of this conflict?

[Bozovic] It is not true that by accepting Vance's plan Serbia will not help the people of Krajina, as it has done so far, especially regarding creating opportunities for thousands of refugees to return to their homes and jobs

Bozovic on Economic Measures, Popular Support

LD1602190892 Belgrade TANJUG in English 1728 GMT 16 Feb 92

[Text] Novi Sad, February 16 (TANJUG)—Prime Minister of the Yugoslav Republic of Serbia Radoman Bozovic said in an interview published on Sunday by the Novi Sad daily DNEVNIK that his government was already realizing what it had drafted in its programme, that it enjoyed strong public support and that the nervousness of the Serbian opposition was not an effect of the performance of the current authorities.

Announcing the implementation of intervention measures in the economy, which are expected to create conditions for launching a more integrated anti-inflation project on which the government is working, Bozovic underscored that 'the illusion that the settlement of all problems depends on the government should be eliminated' because 'the process of production takes place in firms.'

'We have begun to meet our obligations to the population - pensions and other social benefits are being paid regularly,' said Bozovic, who became prime minister 40 days ago.

'The government has intervened with wages to control their affect on inflation both economically and psychologically, because their level and growth are really unexplainable,' Bozovic said in reference to one of the government's measures.

'As far as prices are concerned, the government has introduced price control with electricity, petroleum and its derivatives, postal services, television and radio licences, as well as the prices of some staples. Any violations of the government's regulations by individuals and firms will be punished severely,' said Bozovic.

He said that rumours that Serbia would issue its own currency, as other Yugoslav republics have already done, were just 'speculation.'

However, 'we cannot remain unprepared and suffer the consequences of a possible further erosion of the Yugoslav monetary system and the national currency if some republics, which have already announced it, introduced their own currencies and used dinars as dirty money for tranferring to the remaining part of Yugoslavia,' said Bozovic.

'During talks with Bosnia-Hercegovina and Macedonian governments, we made it clear that we are not ready to bear the burden of such moves and that we will do everything to protect Serbia's economic interests,' said Bozovic.

Following the monetary secession of the republics of Slovenia and Croatia, all higher-denomination banknotes were changed in the other four republics in the last few days of last year.

Macedonia and Bosnia-Hercegovina have announced their intention to issue their own currencies as part of their desire to become sovereign states.

One week ago, Serbia and Montenegro reached agreement on forming a common state which would have a single monetary system and single currency. This association is also open for others to join.

Military Offers Conflicting Accident Reports

92BA0471B Belgrade BORBA in Serbo-Croatian 29 Jan 92 p 3

[Article by I. Profaca: "While the Command of the Split Operational Zone Claims the Downed Plane Was an Aircraft of the Croatian Air Force, the Ministry of Information Says It Was a Biplane Owned by the Aeroclub in Sinj"]

[Text] On Sunday, 26 January, at approximately 1300, an aircraft of the Croatian air force crashed near the hamlet of Simci in the Sinj region and killed five people—three pilots, one mechanic, and one parachutist—and another parachutist was seriously injured, but at the moment his condition is reported as stable.

The statement above was made at a short briefing for reporters, held by the Command of the Split Operational zone on Monday afternoon, and the reason given for not reporting the incident earlier was the fact that the General Staff of the Croatian military had invoked a ban on releasing this information to the public. Details regarding the incident are still not known, but according to an unofficial version of the incident, it occurred when the aircraft, flying very low, caught its wing on a power line. It pulled the line for several hundred meters, after which the wing of the aircraft fell off, and the aircraft crashed some hundred meters from that point and burst

into flames. The Command was not willing to provide more detailed information about the incident.

Another fact has created a dilemma. The Command of the Split Operational zone stated what we reported at the beginning of this article; however, the Ministry of Information gave a different tone to its statement when it said that an AN-2 type aircraft (a biplane that can carry up to 10 people and is used mainly for sport parachuting) was owned by the Sinj Aero-club. All of the other facts stated were identical to those given by the Croatian military except that the names and units of those killed were not provided. This brought about some confusion and showed a lack of coordination in informing about the incident, and it is not clear who stands to benefit from a coverup of the origin of the aircraft. The Ministry of Information benefits from the fact that the aircraft indeed belonged to the Sinj Aero-club, but now it belongs to the HRZ [Croatian air force].

One explanation might be the desire to not make it too public that Croatia has an air force, something that until now has been a matter of dispute between Croatia and the JNA [Yugoslav People's Army]. However, since several days ago all of the residents of Split had an opportunity to witness two planes of the agricultural aviation type, with the insignia of the Croatian military on their wings, circling above Split for hours, it is not clear why an attempt has been made to keep this fact secret.

The cease-fire along the Dalmatian front, according to information received, is still being more or less respected, meaning that shots, mainly artillery, can be heard constantly and at regular intervals.

The Dalmatinski Sliv company, part of the Croatian electric power industry, received an answer from the Krajina Ministry of Electric Power regarding demands by the Croatian electric power industry to be allowed to visit the Peruca hydroplant. The message, signed by the minister, Engineer Vukasin Babic, stated that there is no need for a detailed inspection of the dam or any other installation of the Peruca hydroplant. Also the response from Knin stated that the hydroplant is the main facility of the so-called Elektrokrajina, and is located on the territory of Krajina, therefore, it is "perfectly clear that they want to manage the plant as its owner." That's why they rejected all of the preposterous accusations that they want to destroy the dam and they believe that this is the result of well-fabricated propaganda. The letter invites the Croatian electric power industry officials to talks regarding use of the Peruca hydroplant, and as a possible venue for these talks, "some place in Bosnia and Herzegovina" was suggested.

Splits in Albanian Opposition Parties

92BA0480A Belgrade BORBA in Serbo-Croatian 3 Feb 92 p 9

[Article by Milos Antic: "Who Wants an Opposition, Who Doesn't"]

[Text] Is there a split among the various Albanian political parties, that is, among their leaderships? This question is increasingly relevant even among Albanians themselves, however reluctant people are to speak about it, much less write about it.

Some of the Albanian-language news media first began to peck away at this topic by opening their pages to the opinions of individuals, especially independent intellectuals, especially when it came to the issue of assemblies for national reconciliation and unification of all Albanians and also the total fiasco of the illegal young Albanian foreign service from Kosmet, which was unsuccessful in "inserting" its demands for recognition of the "republic of Kosovo" into Europe's agenda. It all came down mainly to the question of who had the wrong policy for the struggle of the Albanian people—those who advocated peaceful resistance or those who were not listened to but were advocating war with Serbia and Yugoslavia, because they felt and do feel that this is the only way in which the Albanian question can get international attention. When we add to all this the harsh criticism which Redzep Cosja, member of the academy and an independent intellectual with great influence on Albanians, addressed to the three leading Albanian parties (the Democratic Alliance of Kosovo [DSK], the Parliamentary Party, and the Social Democratic Party of Kosovo), charging them for all practical purposes with betraying the Albanian national interest, because they are fighting for Yugoslavia, Serbia, and autonomy in the old form, then it is clear why after all this many have not remained indifferent. It has turned out, after all, that it is not all so unified even among the Albanians and that the ethnic homogenization that has been achieved is being seriously threatened by certain interparty squabbles.

No End of Problems

Was only that the reason, or is there something else more serious in relations among the leaders of the Albanian political milieu, which is increasingly variegated, motivating the very top leadership of the Democratic Alliance of Kosovo, indisputably the most influential among Albanians, when it recently spoke out in this connection, remains to be seen. In any case, the tone and content of that reaction speak for themselves:

"Recently, there has been increasingly frequent mention in some of the media of some kind of split between political parties and other entities and groups, and even of leading figures in the public and political life of Albanians in Kosovo. We emphasize in this connection that the Albanian opposition in Kosovo is not now, and we believe will not in the future, create any 'internal opposition' to suit anyone. In certain better times that could happen, but given the position in which Kosovo and Albanians find themselves, that will not be allowed to happen. The Albanian opposition in Kosovo is unified on the basis of a firm national program, which has priority over all other programs. Differing options, differing opinions, whether they have been expressed publicly or not, we consider the normal consequence of the

difficult situation in Kosovo and an aspect of pluralism. We will continue in the future to try to develop a pluralism of opinions, options, and choices. Possible disagreements or even confrontations should be viewed as an attempt to find a better solution for certain problems, but there is also an abundance of insoluble problems. However, as is evident, no party, no society or association, no organized or unorganized professional grouping, nor any intellectual of any branch or profession has publicly renounced the national program or turned away from that main avenue of commitment. To be sure, we Albanians in Kosovo did not draft the national program in the form in which that is done, because we feel we have gone beyond that, but the totality of all the commitments, which have much in common and which embrace even possible disagreements—that is our national program, the best that we have had down through history. When better times arrive, the Albanian opposition in Kosovo will be more diverse, pluralistic, and less ethnic."

What Is Debatable and What Isn't

This view of what is called splits fueled by the press was presented in the absence of two leaders of the Democratic Alliance of Kosovo, Ibrahim Rugova and Fehmi Agani, who were out of the country. However, even their return added nothing nor took anything away in this connection, so that the public here considers this the unified position of the DSK leadership. What is visible at first glance is their desire not to have an opposition, although it can be said with confidence that they already do have an opposition, not only among certain leaders who have split off from the DSK and formed their own parties, but also in the more ethnically extreme parties, which in the interparty struggle are not particular as to their weapons in attacking and challenging the peaceful resistance of the Democratic Alliance of Kosovo. Then there is also the unavoidable and constant opposition of Redzep Cosja and a number of other intellectuals, including certain journalists in some of the Albanian-language newspapers.

Reference to the unwritten national program and rallying around it, it is felt here, "are not in dispute if this implies 'Kosovo a republic,' as a sovereign and independent state whose Albanian people will decide to separate from nonexistent Yugoslavia and unrecognized Serbia as its state and be annexed or annex Albania to itself." All that is in dispute, however, is how to bring all that about or at least some of it, by what strategy, by what means, and at the price of what sacrifices, and is anything of that feasible when Europe is treating the Albanians in Kosovo as an ethnic minority?

The large differences between individual Albanian leaders here are quite normal, because there are very important points at issue. That is why it is no wonder that there is still a dilemma about maintaining the national assembly of reconciliation and unification, that the idea has arisen of maintaining an all-Albanian referendum for unification of all areas inhabited by Albanians, and that there were opponents to that idea at the very outset, or that there is no unified view, but rather opinions at odds concerning the dialogue that has already begun between a segment of the Serbian opposition and the Albanian opposition.

Slovenia

Cooperation Soon To Be Restored With Israel

LD1402222992 Belgrade TANJUG Domestic Service in Serbo-Croatian 1844 GMT 14 Feb 92

[Text] Ljubljana, 14 Feb (TANYUG)—Israel is interested in the restoration of cooperation with Slovenia and will support Slovenia's application to become a member of the United Nations, said Ivo Vajgl, representative of the Slovene Ministry for Foreign Affairs, after his return from a visit to Israel. According to him, Israel has not yet recognized Slovenia because "the foreign policy activities of the Israeli Government are very restricted due to the parliamentary crisis and the forthcoming elections." He is convinced, however, that despite everything the recognition of Slovenia and the establishment of diplomatic relations may happen in the near future.

Ministry Denies Ordering Border Bunkers

92BA0477A Ljubljana DELO in Slovene 31 Jan 92 p 2

[Article by Ivan Gerencer: "They Are Not Bunkers, but Rather the Most 'Militant' Shelters"—first paragraph is DELO introduction]

[Text] Someone took the order from the Internal Affairs Ministry too seriously; what is ugly will be beautiful later on; the embrasures will be covered with concrete; there is no documentation for the construction.

Lendava, 30 Jan—The Republic Ministry of Internal Affairs tried very hard today, through its press representative Bozo Truden, to convince the people of Prekmurje and Prlekija through the local radio station that it did not order classic Albanian-style bunkers or shelters to be built at the international border crossings with Croatia at Petisovci in the Lendava opstina and at Gibina in the Ljutomer opstina.

It had shelters built for the policemen who work at the border and who have also been attacked several times during the past half year along the Croatian-Slovene border. The Internal Affairs Ministry is also promising that the shelters will assume an appropriate external appearance that will not spoil the natural environment and upset people again. The embrasures on the structures are or will be covered with concrete.

Truden admitted to the people of Prlekija and Prekmurje that the Internal Affairs Ministry built the mysterious structures at the crossings in Petisovci and Gibina

without any documentation. This applies in general to all the structures that the Internal Affairs Ministry had built in a short time and in great haste along the Slovene-Croatian border. The ministry is reportedly arranging all the documentation only now, i.e., after the fact. The ministry's claims that it informed the opstina authorities about the controversial buildings, which have upset people a great deal, are far from true, according to yesterday's statements by the top officials in the Lendava opstina. If people in Lendava had been informed about the construction at the border, then they would have been able to answer immediately (i.e., on 23 December) the Assembly question from opstina delegate Ladislav Podgorcic about what mysterious thing was happening at the Petisovci border crossing with Croatia. It can also be clearly seen from a public letter from the residents of Gibina and Razkrizje that the structure at the border crossing in Gibina was built in secret. The construction site was covered the entire time by a large black sheet. Only the builders revealed to the residents the secret at their border crossing.

The statement by Bozo Truden that someone in Petisovci and Gibina took their order too seriously and produced the most "militant" version of the police shelters is interesting. The ministry does not know why he did that. The people at the Sobota design bureau, where the documentation for the structures in Petisovci and Gibina was produced, claim that they showed all the sketches for the structures to the authorities, who agreed with them. It was only after that that they undertook the preparation of the full documentation. Elsewhere in Slovenia, they mostly adhered to the agreement along the border with Croatia and built shelters out of pipes filled with gravel.

The people along the Croatian border are undoubtedly wondering why the Internal Affairs Ministry decided on the most crude and militaristic way to build police shelters, which are arousing fear and discomfort among residents and travelers, and also the memory of the Hungarian iron curtain and the innumerable control towers, highway military checkpoints, and so forth. Why couldn't the safety of policemen and all those employed at the border crossings have been taken care of within the framework of the border buildings, which will gradually completely replace the present prefabricated buildings, and so forth? The Internal Affairs Ministry promised that the external appearance of the shelters would be as unmilitaristic as possible. They only delayed in answering the delegate's question because of a desire to correct things, i.e., the mistakes made at the border, before writing an answer.

Changes in Law on Sales Tax

92BA0465B Ljubljana DELO in Slovene
27 Jan 92 p 3

[Article by Marjeta Sostaric: "According to the New Law There Will Be Fewer Exemptions Now in Paying Sales Taxes"—first paragraph is DELO introduction]

[Text] Equipment that is considered a capital investment is exempt from sales tax; postal services and gambling machines are taxed at a 20-percent rate; foreigners will be able to apply for reimbursement of tax that has been paid.

Ljubljana, 26 Jan—According to the new law on sales tax, there will no longer be as many exemptions, but this, of course, does not mean that as of 1 February, when the law will go into effect, it will be necessary to pay sales tax on everything in turn. Consequently, there will still be exemptions; there will just be somewhat fewer of them.

Thus, all those who take out or export abroad products bought here will be exempt from paying tax, and all products sold in duty-free shops will continue to be exempt from sales tax. It will also not be necessary to pay sales tax for products that are exempt from the payment of duties and that are imported under terms of reciprocity by heads and emissaries of foreign states, international organizations, diplomatic and consular representations, and the heads and personnel of those representations, but only under the condition they have them for at least three years. The tax exemption also applies to the personal baggage of travelers coming from abroad, and economic items and economic inventory (except for motor vehicles) brought in by our citizens upon returning from temporary work abroad. There is likewise no sales tax for objects that our people receive in packages from abroad, if, of course, these packages do not exceed the values to which customs duties apply under the customs regulations. Also untaxed are objects, for instance, which citizens of Slovenia inherit abroad, products acquired on the property of our citizens in the border zone; advertising material and samples obtained abroad without payment; objects which foreign exhibitors use at international fairs and exhibits for fair events, etc.

Also according to the new law, sales tax will not have to be paid on sales of postage stamps, other stamps, securities and other valuable papers on which the value is printed (the same thing applies to postal envelopes, postcards, etc., on which a postmark is printed). In addition to this, all objects (except for automobiles) will also be exempted from the payment of sales tax that are obtained for free by humanitarian organizations and that are purchased by organizations established for eliminating the consequences of natural disasters in order to sell or donate them to those affected by these disasters; objects that are purchased by enterprises or institutes for the employment of the handicapped (once again, the exception is automobiles, which are taxed, but at the lowest sales tax rate, 5 percent), and also products that are needed by the handicapped on the basis of a report and opinion from a commission for the handicapped. There is also no sales tax for medicines that are on a list compiled and confirmed by the Health and Finance Ministries; for milk for infants, including milk-based foods for infants, milk products, and individual milk components.

Sales tax is also not paid for equipment that is considered a capital investment by a domestic or foreign legal person; this is aimed at providing further incentives for investment in development here. Also untaxed from now on will be all tourist advertising and informational material that is intended for free distribution.

How Much Will the Sales Tax on Services Be?

In principle, the sale of services is also already taxed, but of course there are exceptions in this case as well. The basic rate for taxing services is 5 percent, and taxes on traditional games of chance, such as the lottery, tombola, lotto, sports predictions and other sports wagers, and carnival games. The one responsible for the tax is the organizer of the games of chance, who has a permit from an authorized body for those games. This law sets a 3-percent sales tax for exchange services and financial transaction services (from leasing equipment to construction services, from which tax would not be paid on real estate transactions). The highest tax rate for services, namely 20 percent, is paid on the sale of telephone services and special games of chance involving gambling machines (coin- and token-operated) and other games (roulette, etc.). The one liable for the tax in the case of games of chance is the organizer of these games, who must have a permit from an authorized body for organizing games of chance.

The lowest, 0.1-percent tax rate, according to the new law, "burdens" the sale of securities and bills of credit—not this year yet, but only after 1 January 1993.

Special Taxations

We have already written in detail in Saturday's DELO about the extent of the sales taxes on individual groups of items according to the new sales tax law. In addition to the basic 20-percent tax rate (the base tax rate), which will apply to less expensive automobiles and all those products not specifically mentioned by the law, we will also gain even lower 10-percent sales taxes (for construction material, and clothing and footwear for adults), a 5-percent tax rate for almost everything needed by our children and even more (among other things, this tax rate will also apply to all food products), and, of course, the 32-percent so-called luxury tax rate (for more expensive automobiles, jewelry made from precious metals, cosmetics, furs, and leather). Oil derivatives will be taxed in a special way under the new law. The law says that gasoline for engines will be taxed at 140 percent (unleaded at 90 percent), diesel fuel at 190 percent, and extra light heating oil and fuel oil with a low sulphur content at 20 percent (the same sales tax will also apply to jet fuels and aircraft gasoline). Red-colored petroleum, lamp petroleum, aircraft and motor oils, lubricants, etc., will be taxed at 10 percent, and liquefied natural gas will be taxed at 5 percent. Among the special provisions of this law, it is stated that the republic government can reduce or increase the tax rate on the sale of specific oil derivatives (and also electricity) by up to 50 percent, if this is necessary to prevent and eliminate disruptions in the market and in the economy. The government can also change tax amounts in accordance with the growth of retail prices for tobacco products, for which otherwise a 45-percent sales tax has now been legalized.

All types of cigarettes, cut tobacco of all kinds and qualities, cigars, cigarillos, pipe tobacco, chewing tobacco, and snuff will be taxed at this sales tax rate. Foreign cigarettes which are on sale without a mark and which are also not produced under foreign license at a domestic enterprise are considered illegally imported, and sales tax would also not be paid on them. Appropriate punitive sanctions are also provided for such cases (including stiff fines).

A special 80-percent tax rate is also prescribed for the sale of natural spirits, brandy, and other alcoholic beverages, such as dessert wines, and also for wine distillates.

[Box, p 3]

Foreigners who make purchases here have a right to reimbursement of the sales tax they have paid on products that they take abroad with them, if the value of the purchased products on the invoice exceeds 5,000 tolars (the government can coordinate that amount with the growth of retail prices). The right to reimbursement does not apply to purchased oil derivatives, tobacco products, beverages, and alcohol. It is possible to apply for reimbursement of the tax within a period of one year from the day that the invoice was issued.

[Box, p 3]

It will not be necessary for the handicapped to pay sales tax on the purchase of a passenger car if they buy one once in three years. This applies to those who have a driver's license or need care and assistance from other individuals who have a driver's license, and buy it exclusively for their transportation, directly from the seller. The exemption, for which appropriate documentation will be necessary (a report and opinion from a commission for the handicapped) applies to individuals who have missing, disabled, or paralyzed lower extremities (at least 80-percent disability); handicapped individuals with an acknowledged right to a supplement for nursing care and assistance from others; and individuals with moderate, more serious, and serious physical and mental disabilities who need care and assistance from others. The registration for an automobile thus purchased states that the vehicle was intended exclusively for the transportation of a handicapped person.